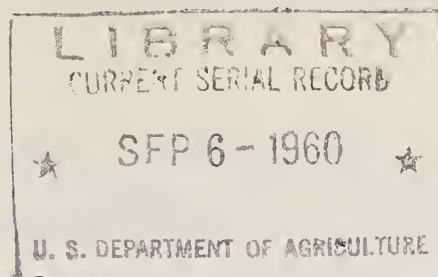


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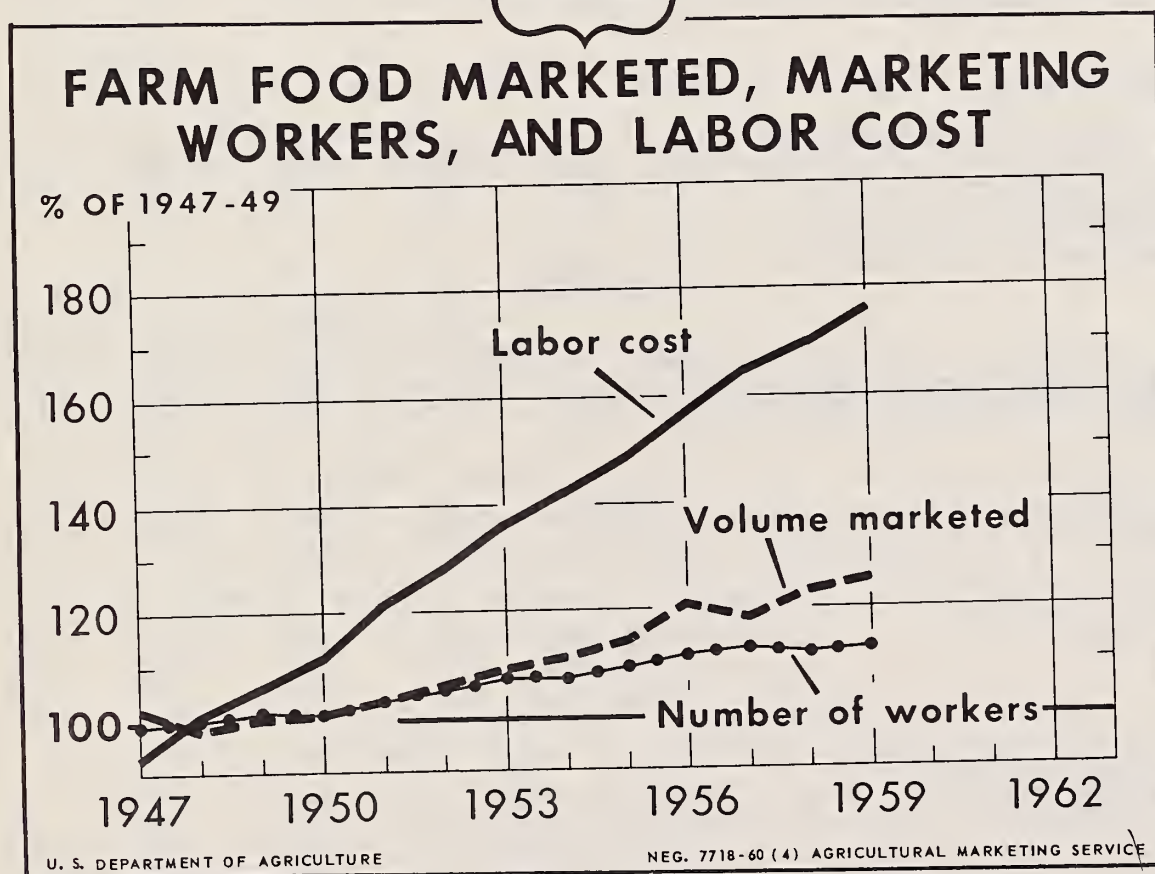


April 1960
FOR RELEASE
MAY 5, A.M.

The MARKETING and TRANSPORTATION SITUATION

MTS-137

In this issue:
Employment and Labor Costs in Marketing
Farm Food Products
Employment and Output in the Transportation
Industries, 1939-58
Grain Transportation on the St. Lawrence
Seaway



By improving efficiency in performing some marketing services, the marketing system has handled an expanding volume of farm food products without a comparable increase in the number of marketing workers. Actually, the total output of services performed by these workers has grown more than the volume of farm food products handled, for the marketing system now does more processing,

packaging, and other marketing operations per unit of product than formerly. Increases in wages, salaries, and fringe benefits per worker have caused the total cost of marketing labor to rise faster than the number of workers. The more rapid increase in the total labor cost than in the volume of products handled indicates that labor cost per unit of product marketed has risen.

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AGRICULTURAL MARKETING SERVICE
UNITED STATES DEPARTMENT OF AGRICULTURE

STATISTICAL SUMMARY OF MARKET INFORMATION

Item	Unit or base period	1959				1960
		Year	Jan.-Mar.	July-Sept.	Oct.-Dec.	Jan.-Mar.
<u>Farm-to-retail price spreads 1/</u>						
Farm-food market basket:						
Retail cost	Dol.	1,040	1,042	1,044	1,033	1,032
Farm value	Dol.	399	408	396	385	397
Farm-retail spread	Dol.	641	634	648	648	635
Farmer's share of retail cost	Pct.	38	39	38	37	38
<u>Cotton: 2/</u>						
Retail cost	Dol.	2.12	2.10	2.13	2.14	---
Farm value	Dol.	.31	.32	.30	.30	---
Farm-retail spread	Dol.	1.81	1.78	1.83	1.84	---
Farmer's share of retail cost	Pct.	15	15	14	14	---
<u>Cigarettes: 3/</u>						
Retail cost	Ct.	25.4	---	---	---	---
Farm value	Ct.	3.98	---	---	---	---
Federal and State excise taxes	Ct.	11.2	---	---	---	---
Farm-retail spread excluding excise taxes	Ct.	10.2	---	---	---	---
Farmer's share of retail cost	Pct.	16	---	---	---	---
<u>General economic indicators</u>						
<u>Consumers' per capita income and expenditures: 4/</u>						
Disposable personal income	Dol.	1,891	1,861	1,889	1,914	1,932
Expenditures for goods and services	Dol.	1,761	1,727	1,766	1,779	1,794
Expenditures for food	Dol.	392	389	391	394	---
Expenditures for food as percentage of disposable income	Pct.	21	21	21	21	---
<u>Hourly earnings, production workers, manufacturing: 5/</u>						
Hourly earnings, production workers, manufacturing: 5/	Dol.	2.22	2.20	2.27	2.29	2.29
Hourly earnings of food marketing employees 6/	Dol.	2.06	2.04	2.10	2.12	2.11
<u>Retail sales: 7/</u>						
Food stores	Mil. dol.	4,307	4,274	4,363	4,395	4,394
Apparel stores	Mil. dol.	1,102	1,082	1,150	1,164	1,132
<u>Manufacturers' inventories: 7/</u>						
Food and beverage	Mil. dol.	4,828	4,752	4,788	4,807	4,855
Textile	Mil. dol.	2,502	2,457	2,530	2,579	2,652
Tobacco	Mil. dol.	1,893	1,893	1,978	1,980	1,941
<u>Indexes of industrial production: 8/</u>						
Food and beverage manufactures	1957 = 100	106	105	107	109	108
Textile mill products	1957 = 100	113	108	111	112	111
Apparel products	1957 = 100	120	112	126	124	122
Tobacco products	1957 = 100	112	112	115	114	---
Index of physical volume of farm marketings	1947-49=100	127	103	159	131	101
<u>Price indexes</u>						
Consumer price index 5/	1947-49=100	124.6	123.7	125.5	125.4	125.6
Wholesale prices of food 5/	1947-49=100	104.4	105.4	102.7	103.0	102.7
Wholesale prices of cotton products 5/	1947-49=100	91.7	89.6	95.0	95.9	95.8
Wholesale prices of woolen products 5/	1947-49=100	101.6	97.6	104.2	104.0	103.2
Prices received by farmers 2/	1947-49=100	89	90	84	85	86
Prices paid by farmers 2/	1947-49=100	115	115	115	115	115

1/ Average quantities of farm food products purchased per wage-earner or clerical-worker family in 1952. 2/ Data for average family purchases in 1950 of 25 articles of cotton clothing and housefurnishings divided by number of pounds of lint cotton required for their manufacture; see U.S. Dept. Agr. Mktg. Res. Rpt. 277. 3/ Data are for package of regular-sized, popular brand cigarettes; farm value is return to farmer for 0.065 lb. of leaf tobacco of cigarette-types; data for fiscal year beginning July 1, 1958. 4/ First quarter 1960 data are from preliminary estimates by the Council of Economic Advisers. Seasonally adjusted annual rates, calculated from Dept. Commerce data. 5/ Dept. Labor. 6/ Weighted composite earnings in food processing, wholesale trade, retail food stores, calculated from data of Dept. Labor. 7/ Seasonally adjusted, Dept. Commerce. Annual data for 1958 are on an average monthly basis. 8/ Seasonally adjusted, Board of Governors of Federal Reserve System. Revised. 2/ Converted from 1910-14 base. Data for Sept. 1952 and later months revised, Feb. 1959.

THE MARKETING AND TRANSPORTATION SITUATION

Approved by the Outlook and Situation Board April 26, 1960

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SUMMARY

Prices farmers received for food products advanced 3 percent from the final quarter of 1959 to the first quarter this year, but still averaged 3 percent below the first quarter of 1959. Much of the rise from October-December was caused by higher farm prices for meat animals, though prices of frying chickens and several fresh vegetables also were up sharply. Prices to farmers for food products during the next few months may average higher than a year ago levels, mainly because of smaller marketings of hogs, eggs, frying chickens, and some of the fresh vegetables.

Charges for marketing farm-produced food products averaged 2 percent less in the quarter just ended than in October-December and were about the same as in January-March 1959. Most of the reduction from the previous quarter resulted from lower marketing charges for meat animals and meat. These charges in the short run tend to vary inversely with the prices of meat animals, which increased in the first quarter. Operating costs of firms marketing farm products probably were a little higher in the first quarter this year than in the same quarter of 1959. Average hourly earnings of food marketing employees were up, probably more than the increase in productivity. Prices of some of the items marketing firms buy were higher, but others were down. Transportation charges were about the same as a year earlier. A small rise in marketing charges is expected in the months ahead.

The decline in marketing charges nearly offset the rise in farmers' prices, and retail prices of farm foods averaged about the same in January-March of this year as in the preceding quarter. The January-March retail prices averaged 1 percent lower than those a year earlier.

Farmers received 38 cents of the dollar consumers spent for domestic farm foods in the quarter just ended -- 1 cent more than in October-December

1959 but 1 cent less than in the first quarter last year. During the last 2 years, the quarterly average farmer's share varied from 42 cents in the first quarter of 1958 to 37 cents in the final quarter of 1959.

The spread between the retail price of cigarettes and the return farmers receive for leaf tobacco increased about 29 percent from the year beginning July 1, 1948, to that beginning July 1, 1958. This increase was caused by increases in manufacturers' and distributors' margins and higher Federal and State excise taxes. The return to farmers rose 27 percent during this period and the retail price jumped 37 percent. Farmers received 15.7 percent of the retail price in 1958-59, compared with 15.9 percent in 1948-49. Preliminary estimates indicate farmers will receive 14.2 percent in 1959-60.

Total net profits of firms marketing farm products generally were larger in 1959 than in 1958. Profits of meatpackers and textile and clothing manufacturers were up sharply. Profits as a percentage of sales and as a percentage of net assets were higher in 1959 than in 1958 in many farm-product marketing industries.

Disposable income per person averaged about 4 percent higher in 1959 than in 1958. Since consumer prices rose less than 1 percent from 1958 to 1959, real disposable income per person increased 3 percent. Consumer expenditures for goods and services increased more than disposable income, resulting in a slight decrease in personal savings. Expenditures for food rose to \$392 per person in 1959 -- about 1 percent more than in 1958 -- but the proportion of disposable income spent for food continued to decline to 20.7 percent. Disposable income per person increased again in the first quarter of this year.

Special Articles

Since 1947-49, the number of workers engaged in marketing farm food products has increased 12 percent, while the volume of products handled has grown about 25 percent. The cost of labor, however, has risen approximately 76 percent. (See cover chart.) Trends in the number of workers and in total and unit labor costs, together with the factors influencing these trends, are discussed in the first special article in this issue (pp. 17-25).

Labor cost per ton-mile has risen about 16 percent for railroads since 1950 and 36 percent for trucking firms. Average annual earnings of rail employees increased more than those of trucking employees during this period, but ton-miles carried per employee increased much more for rail than for truck carriers (pp. 26-29).

Exports of United States grain from ports on the Great Lakes increased substantially in 1959. Much of this grain moved directly overseas through the St. Lawrence Seaway. A considerable volume also moved first to Canadian ports from which shipments were made to overseas destinations. Port facilities on the Great Lakes are being improved and connecting channels between Lakes are being deepened to accommodate ships carrying heavier loads. These improvements are expected to encourage greater use of the Seaway in 1960. The third special article in this issue considers these and other factors affecting the Seaway grain traffic and the outlook for the 1960 navigation season (pp. 30-34).

FARM-RETAIL PRICE SPREADS FOR FARM FOOD PRODUCTS

Farm Value Up 3 Percent From Previous Quarter

The farm value of the "market basket" of farm foods increased 3 percent in the first quarter of 1960. ^{1/} This was the first quarterly increase since the second quarter of 1958. In the 3 months just ended, this payment to farmers for the farm foods in the market basket averaged \$397 (annual rate) compared with \$385 in the preceding quarter. (See table inside front cover.)

Farm values of all product groups except dairy products and miscellaneous products increased from the fourth quarter of 1959 to the first quarter of 1960 (table 12, p. 38). However, meat products accounted for 74 percent of the increase in the total farm value. The poultry and eggs group and the bakery and cereal products group each rose 2 percent in the quarter just ended; fruits and vegetables rose 3 percent and fats and oils increased 5 percent. Individual products showing large increases in farm value were pork, frying chickens, lard, and several fresh vegetables. Large decreases occurred for lemons, canned and frozen orange juice, cabbage, carrots, celery, and onions.

In January-March 1960, the farm value was 3 percent less than in the same months last year. Decreases of 9 percent for the meat products and poultry and eggs groups and a 10-percent decrease in the fats and oils were partly offset by increases for the fruits and vegetables and dairy products groups. Farm values of pork, eggs, shortening, and lard were substantially lower than in the first quarter of 1959. Farm values were lower for several fruits and vegetables but were higher for others.

During the next few months the market basket farm value is likely to be higher than last year, mainly because of smaller supplies and higher farm prices of meat animals, some fresh fruits and vegetables, frying chickens, and eggs.

Marketing Charges Decline

The total farm-retail spread of the farm foods in the market basket was at an annual rate of \$635 in the first quarter of 1960, down 2 percent from the preceding quarter. ^{2/} Meat products accounted for nearly all of this decline as small changes in other product groups about offset each other (table 13, p. 39).

^{1/} The "market basket" contains the average quantities of farm-produced food products purchased for consumption at home per urban wage-earner or clerical-worker family in 1952. Additional information concerning the contents of the market basket and methods of estimating market-basket data are given in "Farm-Retail Spreads for Food Products," U.S. Dept. Agr., Misc. Pub. 741, 1957. The farm value is the payment farmers received for the farm products equivalent to the foods in the market basket.

^{2/} The farm-retail spread or difference between the retail cost of the market basket and the farm value is an estimate of charges made by marketing agencies for assembling, processing, transporting, and distributing the products in the market basket. The farm-retail spread is also referred to as the marketing margin.

Table 1.--The farm food market basket: Retail cost, farm value, farm-retail spread, and farmer's share of retail cost, 1947-60 1/

Year and month	Retail cost <u>2/</u>	Farm value <u>3/</u>	Farm-retail spread	Farmer's share
	Dollars	Dollars	Dollars	Percent
1947	911	467	444	51
1948	982	497	485	51
1949	928	435	493	47
1947-49 average ...	940	466	474	50
1950	920	432	488	47
1951	1,024	497	527	49
1952	1,034	482	552	47
1953	1,003	445	558	44
1954	986	421	565	43
1955	969	395	574	41
1956	972	390	582	40
1957	1,007	401	606	40
1958	1,064	430	634	40
1959 <u>4/</u>	1,040	399	641	38
<u>1959</u>				
Jan.	1,048	411	637	39
Feb.	1,042	406	636	39
Mar.	1,036	407	629	39
Apr.	1,037	407	630	39
May	1,035	401	634	39
June	1,050	402	648	38
July	1,052	394	658	37
Aug.	1,039	396	643	38
Sept.	1,043	399	644	38
Oct.	1,037	390	647	38
Nov.	1,030	384	646	37
Dec.	1,032	381	651	37
<u>1960</u>				
Jan.	1,030	386	644	38
Feb.	1,028	393	635	38

1/ The farmer's share and index numbers of the retail cost, farm value, and farm-retail spread for the years 1913-56 are published in "Farm-Retail Spreads for Food Products," U.S. Dept. Agr. Misc. Pub. 741, 1957.

2/ Retail cost of average quantities of farm foods purchased per urban wage-earner or clerical-worker family in 1952, calculated from retail prices collected by the Bur. Labor Statistics.

3/ Payment to farmers for equivalent quantities of farm produce minus imputed value of byproducts obtained in processing.

4/ Preliminary estimates.

: Current data are given in the Statistical Summary, :
: a monthly publication of the Agricultural Marketing Service. :

Marketing charges, as measured by the farm-retail spread, rose in the second and third quarters of 1959 and then declined slightly in the next two quarters. In the quarter just ended, marketing charges were about the same as in the first quarter of 1959. Among the product groups, fats and oils were down 6 percent from January-March 1959, and meat products were down 3 percent; the dairy products and fruits and vegetables groups were up 3 percent and 2 percent, respectively.

Operating costs of firms marketing food products probably were a little higher in the first quarter of 1960 than in the same quarter last year. Labor costs, which account for about half of all marketing costs, probably increased again this year as they have done each year since 1955. The increase of about 3 percent in average hourly earnings of food marketing employees from February 1959 to February 1960 was one of the smallest February-to-February increases in recent years, but it may have been greater than the increase in productivity. Construction costs and prices of machinery and equipment were higher in the first 2 months of 1960 than in the same months last year. But prices of many of the supplies and other items bought by food-marketing firms were down slightly. Charges for transportation in the first quarter this year were about the same as last year, or possibly a little lower, as railroads have adopted lower "incentive rates" for a few agricultural commodities in order to compete with trucking companies.

Charges for marketing food products are expected to increase in the next few months, but the increase may be smaller than seasonal. Spreads for meat products often decline when prices of meat animals are rising. As a result, increases for other product groups may be largely offset by decreasing margins for meats.

Little Change in Retail Cost

The retail cost of the market basket was about the same in the first quarter this year as in the preceding quarter. ^{3/} Fats and oils was the only major product group showing a change larger than 1 percent (table 12, p. 28).

During 1959, the retail cost declined from a high in July to a low in November (table 1), rose slightly in December, then declined in January and February to its lowest point since December 1957. Preliminary estimates indicate a rise in March.

The retail cost of the market basket declined 1 percent from the first quarter of 1959 to the first quarter this year. Decreases of 6 percent in the meat products and poultry and eggs groups and 7 percent in fats and oils more than offset increases in the dairy products, bakery and cereal products, and fruits and vegetables groups. Retail prices of pork, eggs, lard, shortening, onions, and frozen orange concentrate suffered the largest decreases, while potatoes and tomatoes showed large increases.

^{3/} The retail cost of the market basket of farm foods is less than the retail cost of all foods bought per family. The market basket of farm foods does not include imported foods, fishery products and other foods of nonfarm origin, or costs of meals purchased in public eating places.

Farmer's Share Up From Last Quarter

Farmers received 38 cents of the dollar spent by consumers for domestic farm foods in the first quarter of this year, up 1 cent from the preceding quarter. ^{4/} This was the first increase in the quarterly average since January-March 1958. However, the farmer's share in the first quarter this year was still 1 cent below a year earlier. From the first quarter of 1958 to the fourth quarter of 1959, the farmer's share dropped from 42 cents to 37 cents, declining in nearly every quarter.

The farmer's share for meat products, poultry and eggs, and fats and oils groups increased over the last quarter of 1959, but the other groups were unchanged. The fruits and vegetables group was the only one showing an increase from the first quarter of 1959 to the quarter just ended.

Rise in Farm Value of Pork and Beef; Retail Prices Down

Prices farmers received for hogs rose in each of the first 3 months of this year and in March were 35 percent above December prices. The farm value of pork in the first quarter this year averaged 9 percent higher than in October-December 1959. Wholesale values of pork also were higher than in October-December, but retail prices were lower. Thus, the wholesale-retail spread was down sharply; the live-wholesale spread also declined (table 3).

The farm value of pork in the first quarter of this year was 15 percent below January-March last year. The retail price declined even more than the farm value in cents per pound, causing a 7-percent decline in the farm-retail spread. Much of the decline in the spread was in the wholesale-retail segment. Hog prices probably will change little for a month or 2 and then will increase to levels higher than a year earlier.

The farm value of Choice grade beef rose 4 percent in the first quarter this year. During the same time the farm-retail spread for beef dropped 8 percent. The wholesale-retail segment accounted for all of this decrease as the live-wholesale segment increased slightly (table 2).

Compared with a year ago, the first quarter farm value and retail price of beef were lower, but the spread was slightly higher. The live-wholesale segment of the spread showed a larger percentage increase than the wholesale-retail segment. Cattle prices in the next few months probably will average a little lower than last year.

^{4/} Estimates of the division of the retail cost between farmers and marketing agencies are based on concurrent prices at the farm and retail levels, except for processed fruits and vegetables and sugar. During a period of rising prices, the farmer's share calculated on this basis is somewhat larger than the share derived by comparing prices received by farmers for particular lots of products with prices paid by consumers for the same lots after they have moved through the marketing system. The reverse is true in periods of declining prices.

Table 2.--Beef (Choice grade): Live-wholesale and wholesale-retail spreads, by quarters, 1959-60 1/

Quarter	Live-wholesale (per 100 pounds live weight)					Wholesale-retail (per 100 pounds carcass weight)		
	Price of steers <u>2/</u>	Wholesale value			Spread	Wholesale price <u>4/</u>	Retail value <u>5/</u>	Spread
		Carcass <u>3/</u>	Byproducts	Total				
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
1959								
Jan.-Mar. ...	27.96	28.04	2.41	30.45	2.49	47.53	66.40	18.87
Apr.-June ...	28.83	28.30	2.90	31.20	2.37	47.96	66.72	18.76
July-Sept. ...	27.62	27.32	2.82	30.14	2.52	46.31	66.08	19.77
Oct.-Dec. ...	26.06	26.32	2.29	28.61	2.55	44.61	6/65.68	6/21.07
Average ..	27.62	27.50	2.60	30.10	2.48	46.60	6/66.24	6/19.64
1960								
Jan.-Mar. <u>7/</u>	26.53	27.01	2.19	29.20	2.67	45.78	65.04	19.26

1/ Quarterly data for 1949-55 are published in "Beef Marketing Margins and Costs," U.S. Dept. Agr. Misc. Pub. 710, Feb. 1956, tables 1 and 3.

2/ Weighted average of prices at 20 leading public stockyards.

3/ Wholesale carcass value is 59 percent of average wholesale price of 100 pounds of Choice grade carcass beef.

4/ Weighted average of prices of Choice grade carcass beef in New York, Chicago, Los Angeles, San Francisco, and Seattle.

5/ Calculated from average retail prices of beef cuts in urban areas, published by Bur. Labor Statistics. The retail value per 100 pounds carcass weight is 80 percent of average retail cost of 100 pounds of retail cuts, because about 20 pounds of a 100-pound carcass is fat, bone, and trim which is sold by retailers at nominal prices.

6/ Revised.

7/ Preliminary.

Table 3.--Pork: Live-wholesale and wholesale-retail spreads, by quarters, 1959-60 1/

Quarter	Live-wholesale (per 100 pounds live weight)			Wholesale-retail (per 100 pounds major cuts)		
	Price of hogs <u>2/</u>	Wholesale value <u>3/</u>	Spread	Wholesale value <u>4/</u>	Retail value <u>5/</u>	Spread
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
1959						
Jan.-Mar.	16.66	22.17	5.51	41.61	58.86	17.25
Apr.-June	16.85	21.96	5.11	41.71	58.01	16.30
July-Sept.	14.47	20.54	6.07	39.54	56.97	17 43
Oct.-Dec.	12.88	19.01	6.13	36.37	6/53.52	6/17.15
Average	15.22	20.92	5.70	39.81	6/56.84	6/17.03
1960						
Jan.-Mar. <u>7/</u>	14.27	19.68	5.41	38.02	52.32	14.30

1/ Quarterly data for 1949-55 are published in "Pork Marketing Margins and Costs," U.S. Dept. Agr. Misc. Pub. 711, Apr. 1956, tables 1 and 2.

2/ Average price of 200-220 pound barrows and gilts, Chicago.

3/ Wholesale value at Chicago of 71 pounds of pork and lard obtained from 100 pounds of live hog.

4/ Wholesale value of 100 pounds of major pork cuts at Chicago computed from Livestock Market News and National Provisioner price quotations of individual cuts.

5/ Calculated from average retail prices of major pork cuts in urban areas, published by Bur. Labor Statistics.

6/ Revised.

7/ Preliminary.

Retail prices of meat tend to lag behind changes in farm prices of meat animals, causing the farm-retail spread in the short run to vary inversely with farm prices of meat animals. During the first quarter this year, farm prices of hogs, beef cattle, and lambs increased and spreads between farm values and retail prices decreased. These changes accounted for the sharp decline in the farm-retail spread of the meat products group from October-December 1959 to January-March 1960.

Farm Value and Retail Price of Eggs Down Sharply From Year Ago

The farm value of eggs in the first quarter was 15 percent lower and the retail price was 10 percent lower than in the same quarter of 1959, but the spread was 1 percent wider. The farm value was the lowest for any first quarter since 1942 and the retail price was the lowest for any first quarter since 1950.

From the fourth quarter of 1959 to the quarter just ended, the retail price and farm value for eggs declined 5 percent and 3 percent, respectively -- less than the normal seasonal decline. But a 9-percent decrease in the spread was considerably greater than the usual seasonal change. Prices of eggs in the second quarter this year will be well above last year's low level. During the summer, prices are expected to increase sharply.

In the first 3 months of 1960, the farm value of ready-to-cook frying chickens averaged 11 percent higher and the retail price 6 percent higher than in the preceding 3 months. The farm-retail spread increased only 1 percent.

The spread for frying chicken was 3 percent lower in the January-March period this year compared with the first quarter last year. The farm value and retail price showed little change from a year earlier. Prices of frying chicken are expected to be above last year's levels during the next few months because of shorter supplies and increased demand.

Big Increases in Prices of Many Fresh Fruits and Vegetables

The farm value of the fruits and vegetables group rose 10 percent from the first quarter of 1959 to the same quarter in 1960. The retail cost and farm-retail spread also increased. The farm value of potatoes more than doubled while those of celery and lettuce rose about 30 percent and apples more than 20 percent. These large increases were partly offset by a 75-percent decrease in onions, a 27-percent decrease in prices of oranges for canned orange juice, and decreases in several other items.

Changes in retail prices of potatoes and onions between January-March 1959 and the same quarter this year about offset each other. Increases in other fresh fruits and vegetables were larger than decreases in many processed commodities.

The increase in the spread of the fruits and vegetables group from the first quarter last year to the first quarter this year was not large, but a

few individual commodities showed large percentage changes. Spreads for cabbage, tomatoes, and dried prunes increased 10 percent or more, and frozen orange concentrate had a 21-percent decrease.

From the fourth quarter last year to the quarter just ended, increases in the retail cost and the farm value of fruits and vegetables group were smaller than the usual seasonal increases. The spread also increased seasonally. Farm values of cabbage, carrots, and onions declined sharply in the first quarter, but potatoes, sweetpotatoes, and tomatoes increased sharply. Farm values of orange juice, both canned and frozen concentrate, also were substantially lower. Farm-retail spreads for cabbage and tomatoes each increased 25 percent.

Supplies of many vegetables are expected to increase seasonally in the next few months; as a result prices will decline. Prices of potatoes are expected to decline considerably in late spring as marketings from spring crop areas reach heavy volume. Because adverse weather delayed planting and development of truck crops in some areas, there may be more than the usual overlapping of marketing periods this year.

FARM-RETAIL SPREADS FOR CIGARETTES

The farm-retail spread for a package of regular-size nonfilter cigarettes increased 29 percent, from 16.6 cents in 1948 (year beginning July 1) to 21.4 cents in 1958, and a further increase of 8 percent is forecast for 1959-60. During the 1948-58 period the farm-retail spread of the market basket of farm foods also increased 29 percent (table 4). Marketing charges for cigarettes have not declined since 1942. The 1948-58 increase of 4.8 cents in the spread was accounted for by increases in manufacturers' (1.0 cent) and distributors' (1.7 cents) margins and in Federal (1.0 cent) and State (1.1 cents) excise taxes.

Returns to farmers for the tobacco used in a package of regular-size, nonfilter cigarettes increased 27 percent during the 1948-58 period. ^{5/} The farm value was 3.98 cents in the year beginning July 1, 1958, compared with 3.14 cents in 1948. After changing erratically between 1948 and 1954, the farm value moved upward for the next 4 years. This trend appears to have been halted, at least temporarily, by a small decline in 1959-60. The erratic year-to-year movements in the farm value differ from the patterns of the retail price and farm-retail spread. Both of these series increased nearly every year during the 1948-59 period.

Increases in both the farm value and farm-retail spread since 1948-49 were accompanied by a 37-percent increase in retail price. This increase of 7.3 cents includes a 6-percent rise in 1959-60. The retail price has declined only once since 1933. Wholesale prices showed a smaller percentage increase than the farm value or retail price. They remained the same in 1958-59 and 1959-60. Although these wholesale prices have not decreased since 1933, they have increased only 15 times during the 26-year period.

The farmer's share of the consumer's dollar declined from 15.9 cents in 1948-49 to 15.7 percent in 1958-59. Preliminary estimates indicate a share of 14.2 cents in 1959-60, lowest since 1941-42. Wide fluctuations occurred in intervening years; in the year beginning July 1, 1950, the farmer's share rose to 16.6 percent. The largest farmer's share was 17.1 percent in 1943.

^{5/} This measure makes no allowance for the reduction in the leaf tobacco content that has occurred in recent years.

Table 4.--Cigarettes (regular size): Average retail and wholesale prices per package of nonfilter cigarettes, farm value of equivalent leaf tobacco, excise taxes, farm-retail spread, and farmer's share of retail price, 1926-59

Year begin- ning July	Retail price 1/ :	Whole- sale price 1/ :	Farm value 2/ :	Farm- retail spread 3/ :	Excise tax			Spread, excluding taxes			Farmer's share of retail price
					Federal	State 4/ :	Total 5/ :	Manu- facturer and leaf dealer 6/ :	Distrib- utor 7/ :	Total	
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Percent
1926 ..	14.6	11.3	1.32	13.3	6.0	0.1	6.1	4.0	3.2	7.2	9.0
1927 ..	14.1	11.2	1.47	12.6	6.0	.1	6.1	3.7	2.8	6.5	10.4
1928 ..	13.4	10.6	1.45	11.9	6.0	.2	6.2	3.1	2.6	5.7	10.8
1929 ..	13.5	11.1	1.27	12.2	6.0	.2	6.2	3.8	2.2	6.0	9.4
1930 ..	13.3	11.3	.88	12.4	6.0	.2	6.2	4.4	1.8	6.2	6.6
1931 ..	14.2	12.1	.56	13.6	6.0	.3	6.3	5.5	1.8	7.3	3.9
1932 ..	12.9	11.0	.78	12.1	6.0	.3	6.3	4.2	1.6	5.8	6.0
1933 6/:	12.7	10.2	.88	11.8	6.0	.4	6.4	3.3	2.1	5.4	6.9
1934 6/:	13.2	10.8	1.51	11.7	6.0	.4	6.4	3.3	2.0	5.3	11.4
1935 6/:	13.3	10.8	1.28	12.0	6.0	.6	6.6	3.5	1.9	5.4	9.6
1936 ..	13.5	10.9	1.77	11.7	6.0	.6	6.6	3.1	2.0	5.1	13.1
1937 ..	13.8	11.0	1.42	12.4	6.0	.6	6.6	3.6	2.2	5.8	10.3
1938 ..	13.8	11.0	1.36	12.4	6.0	.7	6.7	3.6	2.1	5.7	9.9
1939 ..	14.4	11.0	1.03	13.4	6.0	1.1	7.1	4.0	2.3	6.3	7.2
1940 ..	14.9	11.5	1.08	13.8	6.5	1.1	7.6	3.9	2.3	6.2	7.2
1941 ..	15.2	11.5	1.85	13.3	6.5	1.2	7.7	3.1	2.5	5.6	12.2
1942 ..	15.8	11.8	2.60	13.2	6.8	1.2	8.0	2.4	2.8	5.2	16.5
1943 ..	16.1	12.0	2.75	13.4	7.0	1.2	8.2	2.3	2.9	5.2	17.1
1944 ..	16.5	12.0	2.81	13.7	7.0	1.2	8.2	2.2	3.3	5.5	17.0
1945 ..	16.4	12.1	2.75	13.7	7.0	1.3	8.3	2.4	3.0	5.4	16.8
1946 ..	17.7	12.9	2.92	14.8	7.0	1.4	8.4	3.0	3.4	6.4	16.5
1947 ..	18.6	13.0	2.85	15.7	7.0	1.9	8.9	3.1	3.7	6.8	15.3
1948 ..	19.7	13.7	3.14	16.6	7.0	2.1	9.1	3.6	3.9	7.5	15.9
1949 ..	19.7	13.7	3.02	16.7	7.0	2.3	9.3	3.7	3.7	7.4	15.3
1950 ..	20.5	14.1	3.41	17.1	7.0	2.4	9.4	3.7	4.0	7.7	16.6
1951 ..	21.3	14.7	3.37	17.9	7.7	2.4	10.1	3.6	4.2	7.8	15.8
1952 ..	22.2	15.4	3.27	18.9	8.0	2.4	10.4	4.1	4.4	8.5	14.7
1953 ..	22.9	15.9	3.42	19.5	8.0	2.5	10.5	4.5	4.5	9.0	14.9
1954 ..	23.0	15.9	3.36	19.6	8.0	2.5	10.5	4.5	4.6	9.1	14.6
1955 ..	23.3	15.9	3.56	19.7	8.0	2.7	10.7	4.3	4.7	9.0	15.3
1956 ..	23.8	15.9	3.64	20.2	8.0	2.9	10.9	4.3	5.0	9.3	15.3
1957 ..	25.1	16.6	3.71	21.4	8.0	3.0	11.0	4.9	5.5	10.4	14.8
1958 ..	25.4	16.6	3.98	21.4	8.0	3.2	11.2	4.6	5.6	10.2	15.7
1959 7/:	27.0	16.6	3.82	23.2	8.0	3.4	11.4	4.8	7.0	11.8	14.2

1/ Calculated from data published by the Bur. Labor Statistics. Wholesale prices are averages of list prices -- adjusted for cash and trade discounts -- of three manufacturers for popular brands of cigarettes delivered to wholesalers and jobbers. Wholesale price includes Federal tax.

2/ Value of 0.065 pound of leaf tobacco (farm-sales weight), calculated from seasonal average prices received by farmers for cigarette-type tobacco -- types 11-14, weighted 61 percent; type 31, 37 percent; and type 32, 2 percent.

3/ Difference between retail price and farm value.

4/ Estimated revenue from State taxes on cigarettes divided by tax-paid withdrawals.

5/ Does not include local excise taxes.

6/ Taxes paid by processors from which the Federal Government made benefit payments to farmers are not included in these calculations. They amounted to 0.2 cent per package of cigarettes in 1933 and 1935 and 0.3 cent in 1934.

7/ Preliminary.

While the farmer's share decreased from 1948 to 1959, the marketing share rose from 84 percent to 86 percent. In the year beginning July 1, 1948, Federal taxes accounted for about 35 percent of the retail price; State taxes, about 11 percent; manufacturer's margin, 18 percent; and distributors' -- wholesaler and retailer -- margins, 20 percent. By 1959 the percentage of retail price accounted for by Federal taxes had declined to 30 percent of the retail price, while State taxes increased to 12 percent. The manufacturer's margin accounted for 18 percent of the retail price in 1959 -- the same as in 1948. Distributors' margins rose to 26 percent in 1959.

Costs and Profits.--Hourly earnings of production workers in all tobacco manufacturing increased about 4 percent in 1959, less than the average of 5 percent per year for the last 10 years. Since 1949, production employees' earnings have risen 68 percent compared with a 58-percent increase in earnings for production workers in all manufacturing industries. Total profits (both before and after taxes) of corporate firms manufacturing tobacco products in 1959 were nearly 9 percent above 1958. As a percentage of sales, profits before taxes were 11.5 percent in 1959, up from 11.2 percent in 1958. Profits as a percentage of stockholders' equity also were higher in 1959.

NET INCOME OF FIRMS MARKETING FARM PRODUCTS, 1958 AND 1959

Total net income (after taxes) of leading firms engaged in processing and distributing farm products increased in 1959 (table 5), according to data compiled by the First National City Bank of New York. The meatpacking firms enjoyed the largest gain among the food processing industries, with a rise of 77 percent over 1958. Profits of the dairy products firms rose 7 percent. The baking firms increased their profits 4 percent after a decline in 1958. Sugar refining companies were among the few industry groups suffering decreases in profits in 1959. For sugar companies, this was the second reduction in profits in 2 years.

Ratios of profits to sales were higher for baking and meatpacking companies in 1959. Meatpackers doubled the rate of profits per dollar of sales. Net income as a percentage of net assets increased for manufacturers of dairy products and meatpackers. Baking companies and sugar refining companies had lower ratios of profits to net assets in 1959 than in 1958.

The textile and clothing manufacturing firms showed large increases in profits after several years of declining income. Their profits as a percentage of sales and net assets also were higher in 1959 than in several preceding years. Net income of leading tobacco companies continued its upward trend as did profits of brewing and distilling companies. Profits as percentages of sales and net assets were higher in 1959 than in 1958 for each of these three groups of firms.

Profits after taxes of chain food stores continued to increase in 1959, but their ratio of profits to net assets declined for the second year in a row. Their profits as a percentage of sales remained unchanged in 1959. Leading department and specialty store companies enjoyed substantial increases in profits and profit ratios. After a setback in 1958, their profits jumped 16 percent in 1959. Ratios of net income to sales and net assets also recovered from the 1958 decline.

Table 5.--Net income of leading corporations marketing agricultural products, 1958 and 1959

Industrial groups	Number of corporations	Reported net income after taxes					
		Total		As percentage of net assets ^{1/}		As percentage of sales	
		1958	1959	1958	1959	1958	1959
		1,000 dollars	1,000 dollars	Percent	Percent	Percent	Percent
Processing:							
Food -							
Baking	18	63,495	66,197	11.7	11.4	3.2	3.4
Dairy products ..	14	108,138	116,018	11.9	12.0	2.6	2.6
Meatpacking	13	40,058	70,875	4.5	7.8	.5	1.0
Sugar	18	33,119	30,288	6.1	5.8	3.5	3.0
Other food products	84	366,497	393,036	11.4	11.7	4.2	4.1
Total	147	611,307	676,414	---	---	---	---
Other -							
Brewing	21	24,832	31,891	6.8	8.6	3.0	3.4
Distilling	13	95,404	106,921	7.3	7.9	3.6	3.8
Tobacco products:	17	229,150	249,050	14.7	15.0	5.7	5.8
Textile products:	67	111,190	216,538	4.1	8.0	2.7	4.2
Clothing and apparel	48	28,482	45,458	6.2	9.7	2.7	3.6
Distributing:							
Chain food stores :	42	214,430	226,477	14.6	13.9	1.4	1.4
Department and specialty stores :	57	172,322	200,096	9.3	10.4	2.5	2.7

^{1/} Book net assets at the beginning of the year are based on the excess of total balance-sheet assets over liabilities.

Compiled from "Monthly Letter, Business and Economic Conditions," The First National City Bank of New York, Apr. 1960.

CONSUMER INCOMES AND EXPENDITURES

Disposable personal income (seasonally adjusted) averaged about \$1,932 (annual rate) per person in the first quarter of 1960 compared with \$1,914 in the preceding 3 months and \$1,861 in the first quarter of 1959 (table 6). ^{6/} During 1959, disposable income, after seasonal adjustments, increased in the first, second, and fourth quarters. In the third quarter, however, there was a small decrease, probably a result of the steel strike.

The 1959 average disposable income was \$1,891 per person, 4 percent higher than the 1958 figure. Consumers spent \$78 more per person on goods and services, \$5 more than the increase in disposable income. Unlike disposable income, consumer expenditures (seasonally adjusted) increased in the third quarter, though the increase was small.

Expenditures for both durable and nondurable commodities were higher in 1959 than in 1958, but the percentage increase in expenditures was larger for durables than for nondurables. Consumers spent a larger percentage of their disposable income for durable goods in 1959 than in 1958, but the 12.9 percent spent in 1959 was below the near-record 14.4 percent in 1955. The percentage of income spent on nondurables continued its gradual downward trend, and the percentage spent for services continued to rise, as it has each year since 1951.

Per capita expenditures for food amounted to \$392 in 1959, about 1 percent more than in 1958. However, food prices declined nearly 2 percent; so food expenditures in constant dollars rose almost 3 percent. This increase may be explained by more meals away from home, buying of more expensive types of food, and purchase of more services with food. Expenditures for food as a percentage of disposable income declined to 20.7 percent, resuming what appears to be a downward trend. If the quantity and types of food and services had remained the same as in 1935-39, food consumed per person would have cost only \$282 in 1959 and \$287 in 1958 (next to last column of table). The 1959 cost of this fixed quantity of food represented about 15 percent of consumer disposable income. In 1935-39, food expenditures amounted to 23 percent of disposable income.

^{6/} Disposable personal income is personal income less personal taxes.

Table 6.--Per capita food cost and expenditure related to disposable personal income, United States, average 1935-39 and 1947-49, annual 1950-59 1/

Year and quarter	Dispos- able personal income <u>2/</u>	Total expendi- ture for consumer goods and services <u>2/</u>	Food expenditure			Cost to consumer of fixed quantities of food representing 1935-39 average annual consumption per person <u>3/</u>	
			Actual <u>2/</u>	Percentage of -		Actual	Percentage of disposable income
				Dispos- able income	Total expendi- ture for goods and services		
	Dollars	Dollars	Dollars	Percent	Percent	Dollars	Percent
1935-39 av.:	514	493	118.6	23.1	24.0	118.6	23.1
1947-49 av.:	1,247	1,193	319	25.6	26.7	248	19.9
1950	1,369	1,286	313	22.9	24.3	245	17.9
1951	1,474	1,359	346	23.5	25.5	274	18.6
1952	1,521	1,400	356	23.4	25.4	279	18.3
1953	1,582	1,457	355	22.4	24.4	271	17.1
1954	1,582	1,466	355	22.4	24.2	270	17.1
1955	1,660	1,554	358	21.6	23.0	265	16.0
1956	1,742	1,605	370	21.2	23.1	267	15.3
1957	1,799	1,664	381	21.2	22.9	276	15.3
1958	1,818	1,683	387	21.3	23.0	287	15.8
1959	1,891	1,761	392	20.7	22.3	282	14.9
Annual rates, seasonally adjusted							
<u>1959</u>							
1st quarter:	1,861	1,727	<u>4/</u> 389	20.9	22.5	282	15.2
2nd quarter:	1,899	1,762	<u>4/</u> 393	20.7	22.3	281	14.8
3rd quarter:	1,889	1,766	<u>4/</u> 391	20.7	22.1	283	15.0
4th quarter:	1,914	1,779	<u>4/</u> 394	20.6	22.1	281	14.7
<u>1960</u>							
1st quarter:	<u>5/</u> 1,932	<u>5/</u> 1,794	---	---	---	---	---

1/ See Aug. 1954 issue of this Situation (MTS-114) for 1929-45 data and for 1946-49 data see the Nov. 1958 issue MTS-131).

2/ Computed from data of the Dept. Commerce.

3/ Cost to consumers of quantities of food representing average annual consumption per person during 1935-39; calculated by applying to the actual 1935-39 expenditure for food (\$118.60) a consumer food price index which is a weighted average of indexes representing (a) retail food prices in urban areas (Bur. Labor Statistics), (b) retail food prices in rural areas (Agr. Mktg. Serv.), and (c) prices received by producers applied to foods consumed on farms where produced. Data for 1952 and later years are revisions of previously published estimates.

4/ Quarterly data are estimates by the Agr. Mktg. Serv. from expenditures for food and alcoholic beverages reported by the Dept. Commerce. Alcoholic beverages are not included in food expenditures.

5/ Preliminary; estimates by Council of Economic Advisers.

EMPLOYMENT AND LABOR COSTS IN MARKETING FARM FOOD PRODUCTS 1/

:
: The number of workers engaged in marketing farm food products has :
: increased by more than 50 percent since 1929, but the rise since :
: 1947 has been at a considerably slower rate than from 1932 to 1947.:
: Since 1956, the increase has been negligible despite a continued :
: expansion in the volume of products marketed. Increases in the :
: output per man-hour of marketing services have kept the number of :
: workers from rising at as fast a rate as the volume of farm food :
: products marketed. The total cost of the labor supplied by these :
: workers has increased more than fourfold since 1929, reflecting a :
: rise in wages, salaries, and fringe benefits. Improvements in :
: output per man-hour have kept labor costs per unit of product from :
: rising as much as average hourly earnings of the workers. :
:

About 5.2 million workers (on an equivalent full-time basis) were engaged in marketing domestic farm food products in this country in 1959. 2/ This number includes salaried and wage employees, proprietors of unincorporated firms, and family workers who do not receive money wages or salaries. It includes workers who assemble, transport, process, and distribute farm-originated food products bought by civilian consumers, by the Armed Forces, and by exporters.

Approximately 35 percent of these food marketing workers were in retail stores, 25 percent were in restaurants and other eating places, about 25 percent were in food-manufacturing plants, and the remaining 15 percent were in local assembly, wholesaling, and transportation enterprises. The proportion in restaurants and other eating places increased considerably in the last 30 years, and proportions in other lines of food marketing declined slightly.

1/ Prepared by Forrest E. Scott, Imogene Bright, and Kathryn Parr, Agricultural Economists, Mktg. Econ. Res. Div., Agr. Mktg. Serv.

2/ It is estimated that approximately 10.0 million persons (full-time equivalent basis) were engaged in assembling, processing, and distributing farm-originated products in 1959, including the workers engaged in marketing textiles, tobacco, and other nonfood products. The number of workers marketing nonfood products is not estimated annually. Estimates of the number of workers and payments received by them are based on data published by the Department of Commerce and the Department of Labor. For a description of the way in which these estimates were derived, see "Labor in Marketing Farm Products," Agricultural Economics Research, Apr. 1955, pp. 42-49. Most retail and wholesale establishments that sell farm food products also handle nonfarm foods and non-food items, many firms that transport farm foods also haul other products, and some food-processing plants manufacture nonfood products. Total number of workers in these establishments, therefore, cannot be included in the estimates of food marketing workers. In general, the proportion included is determined by the proportion of total sales or output represented by farm food products.

Trend in Number of Workers

Approximately 50 percent more workers were engaged in marketing farm food products in 1959 than in 1929 (table 7). The number decreased in depression years of the early 1930's, but it rose almost steadily from 1932 to 1956, the only significant interruption occurring in 1943. War-induced changes forced economies in the use of manpower in that year. But the rate of growth from 1947 to 1956 was considerably slower than from 1932 to 1947, and since 1956 the number of workers has scarcely changed. The number in all lines of food marketing was larger in 1959 than in 1947, but the percentage increase was much larger in wholesaling and retailing than in food manufacturing and transportation.

The distribution of workers among the food industries changed slightly from 1947 to 1959. Although the total number of workers manufacturing farm food products increased, gains occurred only in the meat products and bakery products industries. The dairy products, grain-mill products, and canning, preserving, and freezing industries showed decreases. The distribution of food manufacturing workers between the production worker and nonproduction worker classifications also changed. ^{3/} Production workers decreased in number from 1947 to 1959, while nonproduction workers increased by about a third. As a result, production workers made up about two-thirds of the total number of food manufacturing workers in 1959, compared with approximately three-fourths in 1947.

Numbers of food-marketing workers and all nonagricultural workers increased by about the same rate from 1929 to 1947, but since 1947 food-marketing workers have increased at a slower rate than all nonagricultural workers. As a result of this slower growth, food marketing workers made up a slightly smaller proportion of the total nonagricultural workers in 1959 than in 1947. In 1959 they represented 8.7 percent of all nonagricultural workers, compared with 9.2 percent in 1947.

While the number of workers marketing domestic farm food products rose more than 50 percent from 1929 to 1959, the number of workers on farms declined 42 percent. ^{4/} Increases in output per man-hour enabled a decreasing number of

^{3/} The Bureau of Labor Statistics defines production workers as "all nonsupervisory workers (including working foremen) engaged in fabricating, processing, assembling, inspecting, receiving, storing, handling, packing, warehousing, and shipping; also workers engaged in maintenance, repair, janitorial and watchmen services, product development, and auxiliary production for a plant's own use (e.g., powerplant), and recordkeeping and services immediately associated with these production operations." Nonproduction workers include persons engaged in "executive, purchasing, finance, accounting, legal, personnel, cafeteria, medical, professional, and technical activities; sales, sales delivery, advertising, credit, collection, installation, and servicing of the firm's own products; routine office functions, factory supervision, and force-account construction."

^{4/} The statistical series on which this comparison is based are not strictly comparable. Figures for food-marketing workers are on a full-time equivalent basis; those for farm workers include part-time as well as full-time workers and they include workers on farms that produce nonfood products. The percentage reduction in the number of workers probably would not be significantly different in a series relating only to the number of full-time equivalent farm workers engaged in producing food products.

Table 7.--Estimated number of workers and cost of labor in marketing farm-produced food products, 1929-59 1/

Year	Number of workers		Labor cost	
	Total	1947-49 = 100 <u>2/</u>	Total	1947-49 = 100 <u>2/</u>
	Million	Percent	Billion dollars	Percent
1929 ...	3.4	73	4.6	39
1930 ...	3.4	73	4.5	39
1931 ...	3.3	70	4.1	35
1932 ...	3.1	67	3.5	30
1933 ...	3.2	68	3.2	28
1934 ...	3.4	74	3.6	31
1935 ...	3.5	74	3.8	33
1936 ...	3.6	76	4.0	34
1937 ...	3.7	80	4.5	38
1938 ...	3.7	79	4.5	39
1939 ...	3.8	82	4.7	40
1940 ...	3.9	84	4.9	42
1941 ...	4.1	87	5.4	46
1942 ...	4.2	89	5.9	51
1943 ...	4.0	86	6.3	54
1944 ...	4.1	88	6.9	60
1945 ...	4.2	90	7.6	64
1946 ...	4.5	95	9.1	79
1947 ...	4.6	99	10.7	93
1948 ...	4.7	100	11.7	101
1949 ...	4.7	101	12.4	106
1947-49:	4.7	100	11.6	100
1950 ...	4.7	101	12.9	111
1951 ...	4.8	103	14.0	121
1952 ...	4.9	105	14.9	128
1953 ...	5.0	107	15.8	136
1954 ...	5.0	107	16.4	142
1955 ...	5.1	109	17.1	148
1956 ...	5.2	111	18.3	157
1957 ...	5.2	112	19.1	165
1958 ...	5.2	111	19.8	170
1959 <u>3/</u> :	5.2	112	20.5	176

1/ Includes number (on a full-time equivalent basis) of all persons engaged in assembling, manufacturing, wholesaling, retailing, and transporting farm food products. Proprietors and family workers who receive no stipulated compensation are included in the estimated number of workers. The cost of labor includes wages and salaries received by employees, an allowance for the labor of proprietors and family workers, and supplements to wages and salaries paid by employers.

2/ Computed from unrounded data.

3/ Preliminary.

Workers in Alaska and Hawaii have not been included because of inadequate data.

farm workers to produce an expanding volume of food products. Food-marketing workers' output per man-hour also improved, but the increase was not enough to market the expanded production of farm food products without additional workers.

Why the Number of Workers Increased.--Food-marketing workers gained in number mainly because more were required to handle the growing volume of farm food products marketed. Marketings of food products by farmers in 1959 were 81 percent larger than in 1929 and 23 percent larger than in 1947. The volume handled by marketing firms increased somewhat more than the volume marketed, which includes products sold directly by farmers to consumers. Direct marketings by farmers to consumers have decreased since 1929, so the marketing system has handled a growing proportion of the food products marketed. The volume marketed rose steadily from 1935 to 1944. Since 1948 it has shown a definite upward trend, but the rate of increase has been significantly less than from 1935 to 1944.

A reduction in the usual number of hours worked per week by full-time employees has tended to increase the number of workers. Most full-time food marketing employees worked more than 40 hours per week in the early 1930's; after World War II the 40-hour week became common, although some employees still work longer hours.

An increase in marketing operations per unit of product handled caused part of the rise in the number of food-marketing workers. The marketing system now does more sorting, grading, transporting, refrigerating, processing, packaging, and other marketing operations per unit of product than it did in 1929, and a larger proportion of the food marketed now is in the form of restaurant meals. Each additional operation tends to increase labor time per unit of product. But many marketing operations probably have added little to labor time. For example, the convenience foods, which have greatly increased in number and volume in recent years, probably have added little to total labor time, although they generally embody more processing than the foods they supplant. These newer products are more likely than the older products to be processed in modern plants having more labor-saving equipment. Furthermore, processing and packaging may result in labor-saving in other parts of the marketing system. Thus, machine packaging of a product in consumer-size packages saves the labor of packaging it by hand in retail stores, and selling a product in processed rather than in fresh form may reduce the labor required to wholesale and retail the product. While labor time has been increased by extending some marketing services, it has been reduced by curtailing others--self-service in retail food stores is the most outstanding example. The replacement of daily delivery of milk to homes, first with every-other-day delivery and later with 3-day-a-week delivery, is another example.

Marketing firms have increased advertising and other product promotion, selling, research and product development, and other activities not directly connected with manufacturing and handling products. This increase, which is partly reflected in the growing proportion of nonproduction workers in food-manufacturing firms, has accounted for some of the rise in the total number of food-marketing workers. The volume of work connected with tax accounting, payroll accounting, inventory control, budgeting, and planning of facilities has increased per unit of product marketed. Improved office equipment, more

efficient work methods, and electronic data processing have increased output per man-hour, but productivity gains in performing the nonproduction tasks probably have not been as great as those made in product manufacturing and handling.

Other changes have tended to increase or decrease labor time per unit of product marketed, but the effect cannot be measured. Output of meatpacking plants has risen considerably since 1939, while that of grain mills has declined, but since more hand labor is required to slaughter meat animals than to mill grain, these changes in output have tended to increase labor time per unit of food product marketed. Unit labor time has been reduced by retail food chains buying food products directly from food manufacturers, country assemblers, and farmers rather than from wholesalers or other marketing intermediaries. Direct buying has reduced the number of bargaining transactions and ownership transfers involved in moving products from farmers to retailers; and in some instances it has reduced the number of physical handling operations.

Labor time per unit of product marketed has been affected most by substitution of mechanical equipment for labor, by improvements in this equipment and in plant layouts, by the adoption of continuous processes in manufacturing and packaging, and by other technological innovations. These innovations have so improved output per man-hour that the percentage gain in the number of marketing workers since 1929 has been only about two-thirds as great as that in the volume of farm food products marketed, though average hours worked per week have decreased and quantity and quality of marketing services per unit of product have increased.

The increase in the number of marketing workers also may be viewed as a result of the growth in population. The population residing in the continental United States (not including Alaska, Hawaii, and the Armed Forces overseas) grew from 121.8 million in 1929 to 176.2 million in 1959, an increase of about 45 percent.

The number of food marketing workers per 1,000 population increased from 28.2 in 1929 to a record 32.3 in 1947. After 1947, the number decreased; in 1959 there were 29.7 food marketing workers per 1,000 population. This decrease resulted from improvement in the output of marketing services per man-hour. Several factors accounted for the increase in marketing workers from 1929 to 1947, an important one being the movement of farm people to off-farm homes. ^{5/} Nonfarm dwellers generally buy more of their food than do farm residents. Moreover, farm and nonfarm families bought an increasing proportion of their food during this period. The extension of marketing operations per unit of product added to marketing service purchased per person. Also, the volume of food products exported was larger in 1947 than in 1929. Partially offsetting these factors was the greater proportion of the resident population in the Armed Forces in 1947. The Armed Forces furnish for their members some of the marketing services that the private marketing system provides civilians.

^{5/} The farm population decreased from 30.6 million in 1929 to 27.1 million in 1947. During this period the nonfarm population increased by 28 percent.

Labor Costs in Marketing Farm Food Products

Costs of the labor engaged in marketing farm food products totaled \$20.5 billion in 1959 compared with \$4.6 billion in 1929. ^{6/} This total includes wages and salaries paid to employees and imputed payments to proprietors and family workers not receiving stated remuneration. Also included are supplements to wages and salaries paid by employers, such as social insurance taxes, payments to private pension and welfare funds, and compensation for injuries. ^{7/}

Aggregate marketing labor costs declined much more in the early 1930's than did the number of workers, but costs have risen every year since 1933 and at a much faster rate than the number of workers (table 7). These labor costs, which closely approximate income to the food marketing workers, represented about 5 percent of the total national income in 1929 and in 1959.

Rising wages and salaries accounted for the major part of the jump in the total labor cost from 1933 to 1959, although the climb in total man-hours had a substantial effect. Hourly earnings of food-marketing workers have risen steadily since 1939 (table 8). They averaged 70 percent higher in 1959 than in 1947-49, but the rise during this period was at a slower rate than from 1939 to 1947.

Besides the increase in cash payments, the rise in hourly earnings reflects in part the increase in supplements to wages and salaries (fringe benefits), which have risen at a faster rate than cash hourly earnings. ^{8/} The index of average hourly earnings also has been boosted by an increase in the proportion of workers in the higher paid jobs, as well as by advances in wage rates and salary scales. This proportion has been increased by more extensive use of mechanical equipment in processing plants, warehouses, and other marketing establishments, and increased employment of engineers, scientists, accountants, and other highly skilled nonproduction workers.

Wages and salaries of food-marketing workers have increased considerably more than the Consumer Price Index since 1947. Average hourly earnings in 1959 were 70 percent above their 1947-49 level, compared with an increase of about 25 percent in the Consumer Price Index. The index of hourly earnings makes no

^{6/} The cost of labor as a part of the bill for marketing farm food products bought by civilian consumers in this country was discussed in "The Marketing Bill for Food Products," an article in the July 1959 issue of The Marketing and Transportation Situation. (Reprints of this article are available, AMS Pub. 326.) The cost of labor, not including labor employed by transportation firms, made up 47 percent of the total marketing bill in 1958, compared with 50 percent in 1939.

^{7/} Estimates of labor supplements are based on data published by the U. S. Dept. Commerce.

^{8/} The index of hourly earnings is derived from estimates of the total cost of labor, including that employed by transportation firms, engaged in marketing farm food products bought by civilian consumers in this country. These total labor costs include labor supplements for which data are published by the U. S. Dept. Commerce. Since no allowance is made for labor spent in supplying exporters and the Armed Forces, the index is not strictly comparable with the labor cost for all marketing workers given in table 7. An index of hourly earnings for all food marketing workers, however, probably would not be significantly different from the one in table 8.

Table 8.--Average hourly earnings and unit labor costs in marketing farm food products, 1929-59 1/

(Index numbers 1947-49 = 100)

Year	Hourly earnings <u>2/</u>	Unit labor cost <u>3/</u>	Year	Hourly earnings <u>2/</u>	Unit labor cost <u>3/</u>
1929		56	1945	70	70
1930		56	1946	81	79
1931		51	1947	93	91
1932	42	45	1948	99	102
1933	39	41	1949	108	107
1934	42	45	1950	112	108
1935	43	50	1951	119	116
1936	42	49	1952	124	118
1937	45	55	1953	132	121
1938	46	53	1954	138	123
1939	46	52	1955	142	123
1940	47	53	1956	149	124
1941	51	56	1957	158	130
1942	57	58	1958	165	134
1943	60	61	1959 <u>4/</u> ..	170	134
1944	65	66			

1/ Relates only to domestic farm-produced foods bought by civilian consumers in this country and not to that sold to the Armed Forces or exported. 2/ Hourly earnings estimated by dividing total labor cost by total man-hours for all workers. These data include proprietors and family workers not receiving stated remuneration and workers engaged in intercity rail and truck transportation. 3/ Unit labor cost is the quotient of the indexes of total labor cost and of volume of farm food products marketed to civilian consumers. The index of farm food products marketed was constructed by weighting the quantities sold by 1947-49 average retail prices. 4/ Preliminary.

allowance for changes in taxes which food marketing workers paid on their incomes; it is not an index of take-home pay. 9/

The Rise in Unit Labor Costs.--Like average hourly earnings, the cost of labor per unit of product marketed has risen steadily since 1939, but since 1950 unit labor costs have not advanced as rapidly as during the 1940's; they have not kept pace with hourly earnings. Labor cost per unit of product marketed was 34 percent higher in 1959 than in 1947-49 (table 8). Most of this increase resulted from the gain in hourly earnings and fringe benefits, though part of it may be due to an increase in marketing operations per unit of product handled. The rise in unit labor costs indicates that hourly earnings and fringe benefits have increased at a faster rate than output per man-hour.

9/ Effective Federal tax rates on middle and lower incomes since 1953 have been sharply higher than those before World War II but lower than rates during World War II and the Korean War. The present rates are a little higher than those in 1948-50.

Time Off with Pay and Other Fringe Benefits.--Fringe benefits have accounted for an increasing proportion of the cost of labor in marketing food products. Neither the precise extent of these indirect labor payments nor their cost to individual companies is known, owing to differences in definition. In general, fringe benefits have certain characteristics: All represent expenditures made wholly or in part by the employer and either add to the employee's pay or benefit him in some other way. Fringe benefits are available to all or most employees of companies that provide them, and their cost rises or falls as the size of the labor force changes.

The Department of Commerce reports supplements to wages and salaries in aggregate amounts which include: (1) Employer contributions for social insurance, including old-age and survivor's insurance, State unemployment insurance, Federal unemployment tax, and cash sickness compensation funds; (2) other labor income, including compensation for injuries and employer contributions to private pension and welfare funds; and (3) other minor items. These supplements amounted to about 7 percent of wages and salaries for workers manufacturing food and kindred products in 1958, the most recent year for which data are available. Supplements for workers engaged in retailing and wholesaling were somewhat less, amounting to more than 4 percent of wages and salaries in 1958. These supplements have increased for all three groups; in 1947, for example, supplements amounted to about 5 percent of wages and salaries for food processing workers and 3 percent for workers in retailing and wholesaling.

Another estimate of fringe benefits is made by the U. S. Chamber of Commerce. This estimate is based on a broader meaning of the term "fringe benefits" and covers time paid for, but not worked, and profit-sharing plans, bonuses, and other agreed-upon payments in addition to the usual provisions required by law. Estimates of fringe benefits based on this definition and on reports from only the larger corporations amounted to about 21 percent of payroll for corporations manufacturing food and kindred products and for wholesale and retail firms in 1957. 10/

Studies made by the Bureau of Labor Statistics indicate that time off with pay, such as paid vacations and paid sick leave, is widely granted by firms manufacturing food and kindred products. Approximately 95 percent of all workers in this industry had paid vacations in 1958; about 90 percent had paid holidays, and approximately 34 percent had paid sick leave. These leave benefits were comparable with those common in other manufacturing industries with the exception of paid sick leave which was more frequently found in food manufacturing than in other manufacturing industries.

Hourly Earnings in Food Manufacturing and Retailing.--Employees of firms manufacturing food and kindred products earned an average of \$2.10 per hour in 1959, compared with an average of \$2.22 for all employees in manufacturing establishments. (These figures do not include the costs of fringe benefits.) Food manufacturing workers' earnings were up 75 percent from the 1947-49 level; those of all manufacturing workers were up 79 percent. Earnings of employees in retail food and liquor stores averaged \$1.92 per hour in 1959--65 percent

10/ Chamber of Commerce of the United States, Fringe Benefits, 1957, Washington, D. C., 1958, p. 10.

higher than the 1947-49 average; those of all employees in retail trade average \$1.76 per hour, 63 percent above 1947-49. 11/

Minimum Wage Legislation.--The Fair Labor Standards Act, passed by the Congress and approved by the President in 1938, provided for a minimum wage of 25 cents an hour. Amendments to this Act raised the minimum to 30 cents effective in 1939, 40 cents in 1945, 75 cents in 1950, and \$1 in 1956. The Act further provided that overtime be paid for time beyond 40 hours per week. The Act applies to employees working in establishments engaged in interstate commerce or producing goods for interstate commerce and not specifically exempt. Retail food stores and restaurants and other eating places that account for about three-fifths of all food marketing workers, generally are exempt from paying the federally established minimum wage. Many plants processing food products are similarly exempt. A substantial proportion of the food-marketing workers in establishments not exempt from paying the minimum now are paid more than the minimum wage.

Bills introduced in the present session of the Congress provide for extending the application of the minimum to some establishments now exempt and for raising the minimum.

11/ Data are not available for retail food-store employees separately, nor for employees in wholesale food establishments.

EMPLOYMENT AND OUTPUT IN THE TRANSPORTATION INDUSTRIES,
1939-1958 1/

Transportation costs make up around a tenth of the marketing bill for farm food commodities. This proportion has not changed substantially since 1939, with the exception of the war years. Products of agriculture, 2/ including animals and animal products, account for around 16 percent of total railroad freight revenue and about 12 percent of the railroad tonnage carried. In motor carrier freight, products of agriculture, including animals and animal products, make up about 9 percent of gross freight revenue and about 7 percent of the tonnage.

Intercity Freight Movements

Intercity ton-miles of all freight carried by both railroads and motor-trucks have increased since 1939 (table 9). Railroads are still the largest intercity freight carrier, though their proportion of total freight carried has been declining. Since 1947, the proportion of freight carried by motortrucks has increased substantially. Intercity ton-miles of freight hauled by motor-truck carriers increased steadily; during this same period, intercity ton-miles of railroads have varied irregularly, with the total for 1958 lower than those for several years. 3/ A decline in general business activity probably caused the sharp reduction in ton-miles of freight carried by the railroads in 1958 and also in 1949 and 1954.

Employment by Transportation Industries

Railroads employed about 959,000 persons in 1958. 4/ From a high employment in 1920, the number of employees declined until 1940, increased from 1941 through 1945, and then began a decline that has been interrupted only by an increase in 1951. 5/

In 1958, an estimated 673,000 employees were engaged in highway freight transportation--an all-time high employment--reached by a steady increase since about 1930. The trucking industry has increased employment about 130 percent since 1939, whereas the railroads have cut employment by 13 percent since that date.

1/ Prepared by Imogene Bright, Agricultural Economist, Mktg. Econ. Res. Div., Agr. Mktg. Serv.

2/ Includes nonfood items such as tobacco and cotton.

3/ Includes intercity ton-miles of Class I, II, and III intercity common and contract motor carriers; does not include private trucks and for-hire trucks not subject to economic regulation by the Interstate Commerce Commission.

4/ These data represent total employment including employees engaged in passenger service.

5/ Employment figures are those reported by the U.S. Department of Commerce on a full-time equivalent employee basis. Published railroad employment data do not separate employees engaged in passenger from those engaged in freight

Footnote 5 continued on next page -

Table 9.--Indexes of ton-miles of freight and employment, railroad and highway trucking industries, 1939-1958

(1939 = 100)				
Year	Intercity ton-miles		Employment <u>3/</u>	
	Railroads <u>1/</u>	Highway trucking <u>2/</u>	Railroads	Highway trucking
1939	100	100	100	100
1940	112	105	104	111
1941	142	137	115	130
1942	190	143	129	138
1943	217	146	138	137
1944	220	139	145	135
1945	204	139	146	138
1946	178	155	141	153
1947	196	192	139	159
1948	191	238	136	167
1949	158	244	122	166
1950	176	334	124	181
1951	193	368	130	198
1952	184	361	125	205
1953	181	389	123	214
1954	164	368	109	211
1955	186	422	108	225
1956	194	423	108	236
1957	185	429	102	239
1958	166	433	87	231

1/ Includes express and mail.

2/ Intercity ton-miles of Class I, II, and III intercity common and contract motor carriers of property, operating under Interstate Commerce Commission authority.

3/ Full-time equivalent employees. Full-time equivalent employment measures man-years of full-time employment of wage and salary workers and its equivalent in work performed by part-time workers. Excluded are estimates of employees engaged only in rail passenger service and trucking employees engaged in warehousing.

Based on data from U.S. Department of Commerce, Interstate Commerce Commission, and American Trucking Association.

Footnote 5 continued -

service. There are 128 separate job classifications reported by the railroads; of these, 16 were omitted in this study because they pertain solely to passenger service. In addition, part of the workers engaged in maintaining way, structures, equipment, and stores should have been allocated to passenger service and omitted in these estimates, which are for freight service only; however, data for such allocation are not available. Employment data used for the trucking industry were those reported for trucking and warehousing combined. The total was reduced by subtracting the estimated number of persons engaged in warehousing, based on a study made in 1958 by the Bur. Labor Stat.

The railroad labor force includes a number of separate occupations differing widely in degree of skill. Six major classifications are: (1) Executives and general and divisional officers, together with staff assistants; (2) professional and clerical groups, which consist of clerks, stenographers, traffic agents, inspectors, engineers, attorneys, accountants, etc.; (3) employees who maintain way and structures, such as section laborers, carpenters, painters, ironworkers, inspectors, and electricians; (4) workmen who maintain equipment and stores, such as helpers, general laborers, and machinists; (5) dispatchers, station agents, truckers, loaders, and other employees who aid in train loading and movement, but do not actually operate trains; and (6) train service employees, including yardmasters, switchers, conductors, engineers, firemen, brakemen, flagmen, helpers, and baggagemen. Workers who maintain equipment, stores, structures, and way represent almost 40 percent of railroad employment.

The decline since 1939 in particular groups of Class I rail employees has been even more marked than the decline in the total employment. The two groups showing the greatest reduction were maintenance-of-way employees, with a decrease of about 32 percent, and maintenance-of-equipment employees, down about 23 percent. Some reduction has occurred in the number of transportation service employees, but an increase occurred in the executive, professional, and clerical groups. 6/

The employment structure in the motor carrier industry is simpler than that in railroad transportation. Employees in this industry may be classified into the following six groups: (1) Transportation employees, (2) traffic employees, (3) executives, (4) terminal employees, (5) general office employees, and (6) garage employees. Two groups, transportation and terminal employees, make up about 80 percent of total employment.

Output and Labor Input

Estimated intercity ton-miles of freight per employee have increased for both railroads and trucking lines since 1939 (table 10). Part of the increase in rail ton-miles per employee has been due to the introduction of labor-saving devices which have included longer trains, automatic train control and switching devices, and such maintenance-of-way equipment as ditch-digging machines, spike drivers, and flame throwers for controlling weeds. Among the causes of the gain in truck ton-miles per employee are improvements in highways, more direct routes, and bypasses around cities.

Wage Payments and Labor Costs

Wages and salaries make up an important part of costs of operation of both railroads and trucking concerns. Wages and salaries amount to about 50 percent of revenue for both railroads and motortrucks. This proportion has changed slightly since 1946, decreasing slightly for railroads and increasing for motor carriers. This sizable proportion of revenue represented by labor costs indicates that any increase in wage rates may be an important factor in increasing costs of transportation if they are not offset by gains in ton-miles per employee.

6/ Interstate Commerce Commission, Wage Statistics of Class I Railroads in the United States, 1939 and 1958.

Table 10.--Indexes of annual earnings of all employees, ton-miles per employee, and labor cost per ton-mile, railroad and highway trucking industries, 1939-1958 1/

(1939 = 100)

Year	Average annual earnings		Ton-miles per employees		Labor cost per inter-city ton-mile	
	Railroads	Highway trucking	Railroads <u>2/</u>	Highway trucking <u>3/</u>	Railroads <u>2/</u>	Highway trucking <u>3/</u>
1939 ..	100	100	100	100	100	100
1940 ..	102	102	108	95	95	108
1941 ..	108	107	123	105	88	102
1942 ..	122	122	147	104	83	117
1943 ..	137	141	157	107	88	132
1944 ..	144	156	152	103	95	152
1945 ..	144	167	140	101	103	166
1946 ..	163	181	126	101	129	178
1947 ..	171	201	141	121	122	167
1948 ..	192	221	140	143	137	155
1949 ..	197	233	130	147	152	159
1950 ..	201	251	142	185	141	136
1951 ..	222	259	148	186	149	139
1952 ..	231	276	147	176	157	156
1953 ..	235	297	147	182	160	163
1954 ..	242	304	150	174	161	174
1955 ..	250	321	172	188	146	171
1956 ..	271	333	180	179	150	186
1957 ..	289	346	181	179	159	193
1958 ..	309	360	191	187	163	192

1/ Full-time equivalent employees used in calculating earnings, ton-miles per employee, and labor cost. Excluded are estimates of employees engaged only in rail passenger service and trucking employees engaged only in warehousing.

2/ Intercity ton-miles include express and mail.

3/ Intercity ton-miles of Class I, II, and III intercity common and contract motor carriers of property operating under Interstate Commerce Commission authority.

Based on data from U. S. Department of Commerce, Interstate Commerce Commission, and American Trucking Association.

Average annual earnings of transportation employees have increased steadily since 1933, with a high in 1958 of \$5,803 for railroad employees and an estimated \$5,468 for employees of truck carriers. The increase in average annual earnings has been greater for employees in trucking than in the railroad industry. Annual earnings for specified jobs in railroad and trucking industries are not available.

Since 1939, labor costs per ton-mile in both trucking and railroad industries have increased. Labor cost per ton-mile has been increasing fairly slowly since 1950 for railroads, and has increased about twice as fast for the trucking industry. The proportionate increase in average annual earnings over this period has been about the same for truck and rail carriers; however, the ton-miles hauled per employee have increased more for railroads.

GRAIN TRANSPORTATION ON THE ST. LAWRENCE SEAWAY ^{1/}

The first navigation season on the St. Lawrence Seaway closed December 3, 1959. Total cargo moving through the Montreal-Lake Ontario section of the Seaway was 71 percent larger than in the 1958 season. The United States portion of the toll revenue from all Seaway traffic was sufficient to pay all operating costs and leave \$2 million to be returned to the United States Treasury. This article examines the impact of the Seaway on the United States grain export traffic and considers the outlook for the 1960 season.

Traffic Changes

Grain Exports from U.S. Lake Ports.--Grains, grain products, and other agricultural products moving through the St. Lawrence Seaway during the initial navigation season accounted for over 36 percent of the Seaway's total Canadian and United States cargo. Reports from Boards of Trade indicate that in 1959 almost 87 million bushels of grain were shipped from United States lake ports directly overseas through the Seaway--more than 60 times the 1958 shipments by the restricted St. Lawrence canals. An additional 51 million bushels of export grain went to Canadian destinations, of which, according to the Board of Grain Commissioners for Canada, St. Lawrence ports transshipped about 27 million bushels overseas. Thus, about 114 million bushels of United States grain moved through the St. Lawrence Seaway to ultimate overseas destinations.

Duluth-Superior accounted for about 83 percent of United States grain moving directly overseas through the Seaway in 1959, and Chicago originated most of the other direct overseas movement. Most of the 12.3 million bushels exported from Toledo moved to Canadian lake ports and to ports on the Lower St. Lawrence River.

Corn made up 31 percent of the 138 million bushels of grain exported from U.S. lake ports in 1959; oats accounted for 23 percent; barley, 18 percent; soybeans, 13 percent; wheat, 9 percent; flaxseed, 5 percent; and rye, less than 1 percent.

Most of the United States grain moving directly overseas through the Seaway was shipped originally from points in the North Central States tributary to the Great Lakes. However, shipments of grain to ports on the lakes for overseas export were reported from points as far west as Montana, Colorado, and Kansas. United States grain was exported from lake ports to Europe, the Mediterranean, South America, and the Caribbean.

The ocean vessels taking out United States exports flew many flags. Of the 959 ships loaded with United States grain at Great Lakes ports, 309 were of United States registry and 293 flew the Canadian flag. Flags from Japan, South America, the United Kingdom, the Mediterranean, Europe, and Scandinavia made their appearance along the waterfronts of Toledo, Chicago, Milwaukee, Duluth, and the other lake ports. All direct overseas exports of United States grain moved in foreign flag vessels.

^{1/} Prepared by Ralph O. Foster and Robert C. Haldeman, Transportation Economists, Transportation and Facilities Research Division, AMS.

Available 1959 traffic data indicate a continuation of trends evident before the Seaway opening. During recent years, trucks have moved an increasing share of grain from country elevators to Great Lakes ports. Repeated rail rate increases caused shippers to turn more and more to trucks. Export demand for grain at the lake ports brought a considerable increase in truck volume to these markets in 1959. Trucked grain receipts at Duluth-Superior, Chicago, and Toledo increased from about 42 million bushels in 1958 to over 76 million bushels in 1959, with each port showing a substantial increase. Rail receipts at these ports increased from 336 to 347 million bushels, although receipts at Chicago were down 21 percent. Barge receipts at Chicago also dropped--from about 65 million bushels in 1958 to 51 million bushels in 1959.

Grain Exports from other U.S. Port Areas.--Although total United States grain inspected for export in 1959 jumped some 166 million bushels, Atlantic and Pacific ports handled smaller quantities than in 1958. In both years, Gulf ports handled about 52 percent of total exports, while the Lake ports' share increased from just under 4 percent in 1958 to over 14 percent in 1959.

The ports of Baltimore, Boston, and New York City reported increases in volume of grain inspected for export in 1959, but grain exports through Albany dropped from 22.5 million bushels in 1958 to 9.8 million in 1959. Before the Seaway was opened, much of the grain from the Midwest moved through the lakes to Buffalo and then by rail to Albany or New York City. Philadelphia's 1959 volume of grain exports was 15 percent under 1958.

Buffalo's lake receipts declined 25 percent from 1958 to 1959. During the last 9 months of 1959, only 2.6 million bushels of ex-lake grain moved by rail from Buffalo to North Atlantic ports for export. The 12-month totals in 1957 and 1958 were 25.6 and 15.1 million bushels, respectively.

The Gulf ports showed an increase in grain exports comparable to the overall United States increase. In 1959, barge grain receipts increased at New Orleans-Baton Rouge, where barge receipts usually amount to about 60 percent of grain exports. Data provided by the Corps of Engineers, U. S. Army, show more than 3 million tons of grain were received by barge during the first 9 months of 1959, somewhat above the total barge volume in 1958 and 56 percent more than in 1956. Increased export demand at Gulf ports and the availability of low-cost barge transportation to these ports restricted the supply area and the volume of grain moved by the Seaway.

Omaha and Kansas City, major Missouri River ports, reported 1959 barge grain shipments of more than 12.5 million bushels, or 72 percent above 1958 volume. Downbound grain and alfalfa products traffic on the entire Missouri River system in 1959 was 62 percent greater than in 1958. Grain shipments by barge through locks on the Upper Mississippi River in 1959 rose an estimated 5 million bushels above the 45 million shipped in 1958. Ohio River ports barged 2.3 million bushels of grain to New Orleans-Baton Rouge in 1958 and probably an equal or greater volume in 1959. Over 22 percent of the 1958 barge grain receipts at New Orleans-Baton Rouge originated at Illinois River points. This volume probably increased in 1959.

Outlook for 1960

In sizing up grain traffic prospects for the 1960 navigation season, the principal determinants, besides the overall export demand for United States grain, appear to be the physical facilities available for transferring and moving grain expeditiously and the level of charges, both overland to lake ports and from the ports to overseas destinations.

Improvements in Channels and Port Facilities.--Although connecting channels between the upper Great Lakes are being deepened, vessels moving to the Seaway from ports on Lakes Huron, Michigan, and Superior in 1960 will not have a full 27-foot depth in which to navigate. But ships from Lake Erie and Lake Ontario ports will have the full 27-foot depth in 1960. Canada has committed \$7.5 million for improvements to reduce Welland Canal transit time 25 percent in 1960. Winter dredging and the construction of new facilities on deeper water at Toledo and at Duluth-Superior will permit heavier loading of vessels this coming season, but at many ports, depths of water at grain loading facilities will limit vessel drafts.

Over the next few years, it is proposed to reduce the number of bridges over Chicago's Calumet River from 14 to 8 and to dredge to 27 feet the present 21-foot depth of the River extending 7 miles from Lake Michigan to Calumet Harbor. In 1960, vessels loaded to light draft at Calumet Harbor elevators, because of the limited depth of the channel, will be able to "top off" with grain transferred from a barge-elevator anchored at the mouth of the Calumet River, where adequate depth is available. As a result of changes based upon the experience of the last year, the time required for moving vessels from Lake Michigan to elevators on Lake Calumet via the Calumet River will be sharply reduced in 1960.

The port of Milwaukee is expected to originate a substantial volume of export grain shipments in 1960, as a waterfront elevator formerly used principally for grain storage will be used for loading vessels. Water depth is sufficient to load to 24-foot draft. Reduced rail rates on grain into Milwaukee will also favor this development.

Standard spouts, designed for loading lake vessels, are from 25 to 55 feet above the water line. These spouts are too low to feed grain into the holds of high-sided ocean vessels. Elevators at Lake ports are installing spouts up to 78 feet above the water level, equipped with goosenecks to permit better direction of grain flow. At many elevators the number of such high spouts is being increased so that vessels can be loaded without the necessity of shifting. These spouts also will permit the loading of different grains simultaneously. Loading capacities in 1960 at many elevators will range from 50,000 to 100,000 bushels per hour, depending on the type of grain handled. The improvements will make the lake ports very efficient for grain transfer.

Prospects for Use of Larger Vessels.--The ability to load vessels heavier and faster probably will result in more grain shipments in larger vessels, including lake vessels. The latter will move grain to St. Lawrence ports for transshipment in ocean-going ships. Many lake vessels are engaged in the ore trade. They demand fast turn-around at the ports and will use grain as a backhaul, probably moving it at very favorable rates. Because of the

threatened steel strike in 1959 and the slow loading facilities then available at the ports, very few lake vessels in the ore trade loaded grain for St. Lawrence ports. Of the lakers passing through the Seaway in 1959, over 30 percent were in ballast. Expanded and improved elevator facilities at Montreal and other St. Lawrence ports, including the new 11.5 million bushel elevator at Baie Comeau, Quebec, will facilitate grain transfer to ocean-going vessels. The grain-ore shuttle service should increase in 1960. Any increased volume is likely to be confined to movements to and from Lake Erie ports and should not affect direct overseas shipments in ocean-going vessels from origins on Lakes Michigan and Superior.

Ships of less than 3,000 gross tons accounted for 74 percent of all Seaway passages. The continued extensive use of the small vessels seems to hinge largely on the volume of cargo available to and from Lake ports and the general world shipping situation. Should inbound and outbound cargo come into closer balance and the overall volume increase, large ships probably would displace many of these small vessels. This will be particularly true if world shipping capacity continues to substantially exceed cargoes available.

Changes in Rail Rates for Grain.--Although truck and barge competition had already brought numerous rail grain rate changes, the opening of the St. Lawrence Seaway stimulated additional rate adjustments. Effective in June 1959, the eastern rail lines published greatly reduced export grain rates to North Atlantic ports from most of the area east of the Mississippi River and north of the Ohio River. Most reductions applied only to export grain shipped from origins located on the eastern railroads. Rates for grain products and domestic grain shipments were not changed. The eastern railroads' 1959 export grain rate reduction is expected to be of decreasing importance in affecting Seaway grain shipments in view of the improvements in grain transfer facilities and anticipated growth in demand at lake and St. Lawrence ports.

To meet the competition of the Eastern rate adjustments, railroads serving the Gulf ports reduced their export rates to the Gulf from Illinois and Missouri origins on their lines. Western lines published reduced rail rates from Missouri River markets and from selected origins in Iowa, Minnesota, and South Dakota to ports on Lakes Michigan and Superior. Some Northern rail lines have reduced their rates to Duluth-Superior and Minneapolis to meet truck competition. Rail rates have been reduced from Illinois origins to Chicago and from Ohio, Indiana, and Michigan origins to Toledo. North-South rail and barge lines have reduced grain rates from Illinois and Missouri origins to Gulf ports. Rail competition for grain export volume to the various port areas has lowered export rates to the benefit of shippers using the Seaway as well as those using other export outlets.

Eastern lines propose to reduce domestic rail rates on grain to eastern destinations from origins east of the Mississippi River and north of the Ohio River. This reduction will narrow the broad differential between export and domestic grain rates brought about by the export rate reductions.

Charges for Shipments Overseas.--Although vessel charges vary considerably from month to month, a representative 1959 vessel charge for grain movement direct from Duluth-Superior to Northern Europe was 40 cents a 100 pounds. From Minneapolis-St. Paul, located at the head of navigation on the

Mississippi River, and drawing grain from the same general area as Duluth-Superior, the combination barge-ocean vessel charges via Gulf ports were about 50 cents a 100 pounds. The charge for Lake-rail-ocean routing from Duluth-Superior through Buffalo and Baltimore was around 63 cents per 100 pounds. Savings in transportation charges via the Lake-Seaway route ranged from 6 to 14 cents per bushel of heavy grain (wheat, corn, soybeans) depending on alternative ports of exit. From Chicago, transport savings were somewhat less.

In 1960, direct overseas grain rates from Toledo to the European continent probably will be about the same as the export rail rate from Toledo to Baltimore of 32 cents per 100 pounds. The overseas charge beyond Baltimore in 1959 was about 16 cents per 100 pounds or around 10 cents per bushel. By the direct Lake-Seaway route 1960 charges should be about 10 cents per bushel less than by the alternative Baltimore routing.

Improvements in efficiency resulting from 1 year's experience with Seaway grain shipments; improvements in channel, harbor, and transfer facilities, and the reduced levels of overland rates to ports on the Great Lakes could result in a substantial increase in United States overseas grain exports through the Seaway in 1960. Some ports are predicting a 25- to 35-percent jump if overall export volume from the United States approximates the high levels of recent years.

SELECTED NEW PUBLICATIONS

1. "Baling Cotton at Gins - Practices and Costs - Flat, Standard, High Density Bales," by J. D. Campbell and R. C. Soxman, Farmer Cooperative Service, U.S. Dept. Agr., Mktg. Res. Rpt. 386, Mar. 1960. (AMS cooperating.)
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:	Publications issued by State Agricultural Experiment	:
:	Stations may be obtained from the issuing Station.	:
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Table 11.- Farm food products: Retail cost, farm value of equivalent quantities sold by producers, byproduct allowance, farm-retail spread, and farmer's share of retail cost, January-March 1960 ^{1/}

Product ^{2/}	Farm equivalent	Retail unit	Retail cost	Gross farm value	Byproduct allowance	Net farm value	Farm-retail spread	Farmer's share
			Dollars	Dollars	Dollars	Dollars	Dollars	Percent
Market basket ^{3/}			1,032.40	---	---	396.93	635.47	38
Meat products			269.32	---	---	141.42	127.90	53
Dairy products			198.91	---	---	88.66	110.25	45
Poultry and eggs		Average quantities purchased per urban wage-earner and clerical-worker family in 1952	85.62	---	---	51.28	34.34	60
Bakery and cereal products	Farm produce equivalent to products bought by urban families		162.50	---	---	28.30	134.20	17
All ingredients			---	24.81	3.19	21.62	---	13
Grain			232.00	---	---	70.09	161.91	30
All fruits and vegetables			138.65	---	---	50.59	88.06	36
Fresh fruits and vegetables			75.50	---	---	25.52	49.98	34
Fresh vegetables								
Processed fruits and vegetables			93.36	---	---	19.50	73.86	21
Fats and oils			40.65	---	---	10.11	30.54	25
Miscellaneous products			43.40	---	---	7.08	36.32	16
			Cents	Cents	Cents	Cents	Cents	Percent
Beef (Choice grade)	2.16 lb. Choice grade cattle	Pound	81.3	54.4	4.2	50.2	31.1	62
Lamb (Choice grade)	2.41 lb. lamb	Pound	68.7	45.5	8.9	36.6	32.1	53
Pork (retail cuts)	2.13 lb. hogs	Pound	52.6	29.1	3.8	25.3	27.3	48
Butter	Cream and whole milk	Pound	74.7	---	---	52.5	22.2	70
Cheese, American process	Milk for American cheese	1/2 pound	33.8	---	---	14.9	18.9	44
Ice cream	Cream and milk	1/2 gallon	87.6	---	---	422.7	64.9	26
Milk, evaporated	Milk for evaporating	14-1/2 ounce can	15.7	---	---	6.4	9.3	41
Milk, fluid	Wholesale fluid milk	Quart	25.3	---	---	10.9	14.4	43
Chickens, frying, ready-to-cook	1.37 lb. broilers	Pound	43.2	---	---	24.1	19.1	56
Eggs	1.03 doz.	Dozen	49.4	---	---	31.2	18.2	63
Bread, white								
All ingredients	Wheat and other ingredients	Pound	19.9	---	---	2.9	17.0	15
Wheat .....	.894 lb. wheat	Pound	19.9	2.7	.3	2.4	17.5	12
Crackers, soda	1.40 lb. wheat	Pound	29.0	4.2	.5	3.7	25.3	13
Corn flakes	1.57 lb. white corn	12 ounces	25.7	2.9	.7	2.2	23.5	9
Corn meal	1.34 lb. white corn	Pound	13.1	2.5	.3	2.2	10.9	17
Flour, white	7.0 lb. wheat	5 pounds	54.7	21.0	2.6	18.4	36.3	34
Rollod oats	2.31 lb. oats	18 ounces	21.6	4.9	.9	4.0	17.6	19
Apples	1.08 lb. apples	Pound	14.1	---	---	4.8	9.3	34
Grapefruit	1.04 grapefruit	Each	12.1	---	---	2.1	10.0	17
Lemons	1.04 lb. lemons	Pound	19.2	---	---	4.7	14.5	24
Oranges	1.04 doz. oranges	Dozen	63.8	---	---	21.4	42.4	34
Beans, green	1.09 lb. snap beans	Pound	31.1	---	---	14.0	17.1	45
Cabbage	1.10 lb. cabbage	Pound	10.7	---	---	2.3	8.4	21
Carrots	1.06 lb. carrots	Pound	13.3	---	---	2.2	11.1	17
Celery	1.11 lb. celery	Pound	14.9	---	---	3.9	11.0	26
Lettuce	1.41 lb. lettuce	Head	18.9	---	---	7.8	11.1	41
Onions	1.06 lb. onions	Pound	8.5	---	---	1.5	7.0	18
Potatoes	10.42 lb. potatoes	10 pounds	69.9	---	---	23.9	46.0	34
Sweetpotatoes	1.12 lb. sweetpotatoes	Pound	12.8	---	---	3.9	8.9	30
Tomatoes	1.13 lb. tomatoes	Pound	38.3	---	---	14.6	23.7	38
Orange juice, canned	5.88 lb. Fla. oranges for canning	46 ounce can	44.2	---	---	13.1	31.1	30
Peaches, canned	1.89 lb. Calif. cling	No. 2-1/2 can	33.6	---	---	5.6	28.0	17
Beans with pork, canned .....	.35 lb. Mich. dry beans	16 ounce can	14.9	---	---	2.0	12.9	13
Corn, canned	2.49 lb. sweet corn	No. 303 can	18.9	---	---	2.3	16.6	12
Peas, canned .....	.69 lb. peas for canning	No. 303 can	20.0	---	---	3.0	17.0	15
Tomatoes, canned	1.84 lb. tomatoes for processing	No. 303 can	15.3	---	---	2.3	13.0	15
Orange juice concentrate, frozen	3.05 lb. Fla. oranges for frozen concentrated juice	6 ounce can	22.8	---	---	10.0	12.8	44
Strawberries, frozen .....	.51 lb. strawberries for processing	10 ounces	26.6	---	---	6.9	19.7	26
Beans, green, frozen .....	.71 lb. beans for processing	9 ounces	22.8	---	---	4.3	18.5	19
Peas, frozen .....	.70 lb. peas for freezing	10 ounces	19.9	---	---	3.2	16.7	16
Dried beans (navy)	1.00 lb. Mich. dry beans	Pound	16.9	---	---	5.7	11.2	34
Dried prunes .....	.97 lb. dried prunes	Pound	39.5	---	---	17.1	22.4	43
Margarine, colored	Soybeans, cottonseed, and milk	Pound	27.1	---	---	6.2	20.9	23
Peanut butter	1.77 lb. peanuts	Pound	55.4	---	---	18.8	36.6	34
Salad dressing	Cottonseed, soybeans, sugar, and eggs	Pint	36.3	---	---	5.7	30.6	16
Vegetable shortening	Soybeans and cottonseed	3 pounds	81.5	---	---	21.9	59.6	27
Corn sirup	1.90 lb. corn	24 ounces	26.6	3.4	.7	2.7	23.9	10
Sugar	37.97 lb. sugar beets	5 pounds	57.5	21.5	1.1	2/20.4	2/37.1	2/35

^{1/} The methods of calculation and the sources of price data are given in Part II of "Farm-Retail Spreads for Food Products," U. S. Dept. Agr. Misc. Pub. 741, 1957.

^{2/} Product groups include more items than those listed in this table. For example, the meat products group includes veal and lower grades of beef in addition to carcass beef of Choice grade, lamb, and pork.

^{3/} Market basket total may differ from sum of product group totals because of rounding of averages.

^{4/} Includes farm value of cream and milk; only.

^{5/} Net farm value adjusted for Government payments to producer was 24.9 cents, farm-retail spread adjusted for Government processor tax was 34.4 cents, farmer's share of retail cost based on adjusted farm value was 43 percent.

Preliminary estimates.

Table 12.- Farm food products: Retail cost and farm value, January-March 1960, October-December 1959, January-March 1959, and 1947-49 average 1/

Product 2/	Retail unit	Retail cost						Net farm value 3/					
		Jan.-	Oct.-	Jan.-	Jan.-	Percentage change:		Jan.-	Oct.-	Jan.-	Percentage change:		
		Mar.	Dec.	Mar.	1947-49:	from -		Mar.	Dec.	Mar.	1947-49:	from -	
		1960	1959	1959	average:	Oct.-	Jan.-	1960	1959	1959	average:	Oct.-	Jan.-
		4/	5/			Dec.	Mar.	4/				Dec.	Mar.
		Dollars	Dollars	Dollars	Dollars	Percent	Percent	Dollars	Dollars	Dollars	Dollars	Percent	Percent
Market basket 6/		1,032.40	1,033.09	5/1,042.17	940.09	7/	-1	396.93	5/385.18	5/408.21	466.02	3	-3
Meat products		269.32	272.95	286.39	256.08	-1	-6	141.42	5/132.73	154.84	170.90	7	-9
Dairy products		198.91	198.39	5/194.48	169.28	7/	2	88.66	5/89.61	5/87.28	91.66	-1	2
Poultry and eggs	Average quantities purchased	85.62	86.11	90.81	117.01	-1	-6	51.28	50.07	56.07	80.69	2	-9
Bakery and cereal products	per urban wage-earner and clerical-worker family in 1952	162.50	161.40	5/160.77	121.96	1	1	28.30	5/27.77	5/28.06	34.97	2	1
Grain		---	---	---	---	---	---	21.62	5/21.33	5/20.79	24.96	1	4
All fruits and vegetables		232.00	229.09	5/222.38	184.68	1	4	70.09	5/68.29	5/63.59	60.93	3	10
Fresh fruits and vegetables		138.65	132.58	125.54	103.91	5	10	50.59	5/46.61	5/41.90	42.91	9	21
Fresh vegetables		75.50	69.43	68.83	53.17	9	10	25.52	5/22.73	5/21.56	22.97	12	18
Processed fruits and vegetables		93.36	96.52	96.84	---	-3	-4	19.50	5/21.69	5/21.69	---	-10	-10
Fats and oils		40.65	41.80	43.77	52.21	-3	-7	10.11	5/9.63	5/11.20	19.84	5	-10
Miscellaneous products		43.40	43.33	43.57	38.87	7/	7/	7.08	5/7.08	7.16	7.03	0	-1
		Cents	Cents	Cents	Cents	Percent	Percent	Cents	Cents	Cents	Cents	Percent	Percent
Beef (Choice grade)	Pound	81.3	82.1	83.0	68.5	-1	-2	50.2	5/48.3	52.2	48.5	4	-4
Lamb (Choice grade)	Pound	68.7	67.0	69.0	63.9	3	7/	36.6	33.9	36.8	44.2	8	-1
Pork (retail cuts)	Pound	52.6	53.8	59.1	59.4	-2	-11	25.3	23.3	29.6	39.7	9	-15
Butter	Pound	74.7	77.5	74.5	79.4	-4	1/	52.5	53.8	51.5	59.3	-2	2
Cheese, American process 8/	1/2 pound	33.8	33.0	32.9	29.8	2	3	14.9	14.5	14.2	16.0	3	5
Ice cream	1/2 gallon	87.6	87.7	8/87.6	---	7/	0	2/22.7	2/23.0	8/22.1	---	-1	3
Milk, evaporated	14 1/2 ounce can	15.7	15.3	15.2	13.7	3	3	6.4	6.3	6.4	7.1	2	0
Milk, fluid	Quart	25.3	25.2	24.6	20.1	7/	3	10.9	11.1	10.8	10.6	-2	1
Chickens, frying, ready-to-cook	Pound	43.2	40.8	43.3	---	6	7/	24.1	21.8	23.7	---	11	2
Eggs	Dozen	49.4	52.2	54.7	66.7	-5	-10	31.2	32.1	36.6	48.0	-3	-15
Bread, white													
All ingredients	Pound	19.9	19.8	19.6	13.5	1	2	2.9	2.8	2.8	3.3	4	4
Wheat	Pound	---	---	---	---	---	---	2.4	2.3	2.3	2.7	4	4
Crackers, soda	Pound	29.0	29.0	29.2	---	0	-1	3.7	3.7	3.5	---	0	6
Corn flakes	12 ounces	25.7	25.7	25.6	17.1	0	1/	2.2	2.1	2.5	3.2	5	-12
Corn meal	Pound	13.1	13.0	12.9	11.8	1	2	2.2	2.1	2.6	3.6	5	-15
Flour, white	5 pounds	54.7	54.1	54.9	48.4	1	7/	18.4	18.3	17.5	21.0	1	5
Rollod oats	18 ounces	21.6	20.7	20.4	14.5	4	6	4.0	4.0	3.6	4.9	0	11
Apples	Pound	14.1	12.6	13.3	11.9	12	6	4.8	4.6	3.9	4.3	4	23
Grapefruit	Each	12.1	12.8	11.9	8.5	-5	2	2.1	2.1	2.3	1.4	0	-9
Lemons	Pound	19.2	19.7	19.2	17.7	-3	0	4.7	5.2	4.6	5.7	-10	2
Oranges	Dozen	63.8	68.5	62.2	46.6	-7	3	21.4	20.2	20.9	12.6	6	2
Beans, green	Pound	31.1	27.8	29.3	21.1	12	6	14.0	12.8	13.3	9.3	9	5
Cabbage	Pound	10.7	10.4	9.8	6.9	3	9	2.3	3.7	2.2	1.9	-38	5
Carrots	Pound	13.3	14.8	14.5	11.1	-10	-8	2.2	3.5	2.7	4.0	-37	-19
Celery	Pound	14.9	15.2	13.9	---	-2	7	3.9	4.6	3.0	---	-15	30
Lettuce	Head	18.9	20.4	17.6	14.5	-7	7	7.8	7.4	5.9	6.3	5	32
Onions	Pound	8.5	8.6	12.7	8.4	-1	-33	1.5	1.9	5.9	3.7	-21	-75
Potatoes	10 pounds	69.9	60.5	53.9	51.9	16	30	23.9	5/18.6	11.6	25.6	28	106
Sweetpotatoes	Pound	12.8	12.0	14.0	11.6	7	-9	3.9	3.2	5/4.8	4.8	22	-19
Tomatoes	Pound	38.3	29.8	33.2	---	29	15	14.6	10.8	13.3	---	35	10
Orange juice, canned	46 ounce can	44.2	51.0	47.1	---	-13	-6	13.1	17.9	17.9	---	-27	-27
Peaches, canned	No. 2-1/2 can	33.6	34.1	35.9	31.5	-1	-6	5.6	5.6	6.1	5.3	0	-8
Beans with pork, canned	16 ounce can	14.9	14.9	15.1	---	0	-1	2.0	2.0	2.2	---	0	-9
Corn, canned	No. 303 can	18.9	19.1	18.9	16.7	-1	0	2.3	2.3	2.3	2.7	0	0
Peas, canned	No. 303 can	20.0	19.7	20.9	21.4	2	-4	3.0	3.0	3.0	3.0	0	0
Tomatoes, canned	No. 303 can	15.3	15.2	15.8	14.2	1	-3	2.3	2.3	5/2.3	2.6	0	0
Orange juice concentrate, frozen	6 ounce can	22.8	26.0	25.9	---	-12	-12	10.0	11.9	9.6	---	-16	4
Strawberries, frozen	10 ounces	26.6	26.5	26.2	---	7/	2	6.9	6.9	6.1	---	0	13
Beans, green, frozen	9 ounces	22.8	22.5	22.9	---	1	7/	4.3	4.3	4.3	---	0	0
Peas, frozen	10 ounces	19.9	19.9	20.0	---	0	7/	3.2	3.2	3.1	---	0	3
Dried beans (navy)	Pound	16.9	16.8	17.2	19.9	1	-2	5.7	5.5	6.4	9.7	4	-11
Dried prunes	Pound	39.5	39.8	39.3	23.1	-1	1	17.1	5/18.0	5/18.9	8.8	-5	-10
Margarine, colored	Pound	27.1	27.8	28.7	39.7	-3	-6	6.2	5/5.9	5/6.8	12.2	5	-9
Peanut butter	Pound	55.4	55.5	56.0	---	7/	-1	18.8	17.2	5/19.0	---	9	-1
Salad dressing	Pint	36.3	37.0	37.8	37.8	-2	-4	5.7	5.7	6.5	10.0	0	-12
Vegetable shortening	3 pounds	81.5	85.4	90.6	105.6	-5	-10	21.9	5/21.6	5/24.7	46.2	1	-11
Corn sirup	24 ounces	26.6	26.5	26.4	---	7/	1	2.7	2.7	2.8	---	0	-4
Sugar	5 pounds	57.5	57.8	56.8	48.4	-1	1	20.4	20.4	5/20.5	19.4	0	7/

1/ The methods of calculation and the sources of price data are given in Part II of "Farm-Retail Spreads for Food Products," U. S. Dept. Agr. Misc. Pub. 741, 1957.

2/ Product groups include more items than those listed in this table. For example, the meat products group includes veal and lower grades of beef in addition to carcass beef of Choice grade, lamb, and pork.

3/ Gross farm value adjusted to exclude imputed values of byproducts obtained in processing.

4/ Preliminary estimates.

5/ Most retail cost figures for Oct.-Dec. 1959 have been revised; figures in other columns revised as indicated.

6/ Sum of product groups may differ slightly from market-basket total because of rounding of averages.

7/ Less than 0.5 percent.

8/ Data for this item revised because of change in retail unit.

9/ Farm value of cream and milk only.

Table 13.- Farm food products: Farm-retail spread and farmer's share of the retail cost, January-March 1960, October-December 1959, January-March 1959, and 1947-49 average ^{1/}

Product ^{2/}	Retail unit	Farm-retail spread ^{3/}				Percentage change		Farmer's share			
		Jan.-Mar. 1960	Oct.-Dec. 1959	Jan.-Mar. 1959	1947-49 average	Jan.-Mar. 1960 from -	Jan.-Mar. 1959	Jan.-Mar. 1960	Oct.-Dec. 1959	Jan.-Mar. 1959	1947-49 average
		4/	5/	1959	average	Oct.-Dec. 1959	Jan.-Mar. 1959	4/	1959	1959	average
		Dollars	Dollars	Dollars	Dollars	Percent	Percent	Percent	Percent	Percent	Percent
Market basket ^{6/} .....	(	635.47	647.91	5/633.96	474.07	-2	7/	38	37	39	50
Meat products .....	(	127.90	140.22	131.55	85.18	-9	-3	53	49	54	67
Dairy products .....	(	110.25	108.78	5/107.20	77.62	1	3	45	5/45	45	54
Poultry and eggs	quantities (	34.34	36.04	34.74	36.32	-5	-1	60	5/58	62	69
Bakery and cereal products	per urban (	134.20	133.63	5/132.71	86.99	7/	1	17	17	17	29
All ingredients	wage-earner (	---	---	---	---	---	---	13	13	13	20
Grain	and (---	---	---	---	---	---	---	---	---	---
All fruits and vegetables	clerkal- (	161.91	160.80	5/158.79	123.75	1	2	30	30	29	33
Fresh fruits and vegetables ..	worker (	88.06	85.97	5/83.64	61.00	2	5	36	35	33	41
Fresh vegetables	family (	49.98	46.70	5/47.27	30.20	7	6	34	33	31	43
Processed fruits and	in 1952 (---	---	---	---	---	---	---	---	---	---
vegetables .....	(	73.86	74.83	5/75.15	---	-1	-2	21	22	22	---
Fats and oils .....	(	30.54	32.17	5/32.57	32.37	-5	-6	25	23	5/26	38
Miscellaneous products .....	(	36.32	36.25	36.41	31.84	7/	7/	16	16	16	18
		Cents	Cents	Cents	Cents	Percent	Percent	Percent	Percent	Percent	Percent
Beef (Choice grade)	Pound	31.1	33.8	30.8	20.0	-8	1	62	59	63	71
Lamb (Choice grade)	Pound	32.1	33.1	32.2	19.7	-3	7/	53	51	53	69
Pork (retail cuts)	Pound	27.3	30.5	29.5	19.7	-10	-7	48	43	50	67
Butter	Pound	22.2	23.7	23.0	20.1	-6	-3	70	5/69	69	75
Cheese, American process ^{8/}	1/2 pound	18.9	18.5	16.7	13.8	2	1	44	44	43	54
Ice cream	1/2 gallon	64.9	64.7	8/65.5	---	---	-1	26	26	8/25	---
Milk, evaporated	1 1/2 ounce can	9.3	9.0	8.8	6.6	3	6	41	41	42	52
Milk, fluid	Quart	14.4	14.1	13.8	9.5	2	4	43	44	44	53
Chickens, frying, ready-to-cook:	Pound	19.1	19.0	19.6	---	1	-3	56	5/53	55	---
Eggs	Dozen	18.2	20.1	18.1	18.7	-9	1	63	61	67	72
Bread, white											
All ingredients	Pound	17.0	17.0	16.8	10.2	0	1	15	14	14	24
Wheat	Pound	---	---	---	---	---	---	12	12	12	20
Crackers, soda	Pound	25.3	25.3	25.7	---	0	-2	13	13	12	---
Corn flakes	12 ounces	23.5	23.6	23.1	13.9	7/	2	9	8	10	19
Corn meal	Pound	10.9	10.9	10.3	8.2	0	6	17	16	20	31
Flour, white	5 pounds	36.3	35.8	37.4	27.4	1	-3	34	34	32	43
Polled oats	18 ounces	17.6	16.7	16.8	9.6	5	5	19	5/19	18	34
Apples	Pound	9.3	8.0	9.4	7.6	16	-1	34	37	29	36
Grapefruit	Each	10.0	10.7	9.6	7.1	-7	4	17	16	19	16
Lemons	Pound	14.5	14.5	14.6	12.0	0	-1	24	26	24	32
Oranges	Dozen	42.4	48.3	41.3	34.0	-12	3	34	29	34	27
Beans, green	Pound	17.1	15.0	16.0	11.8	14	7	45	5/46	45	44
Cabbage	Pound	8.4	6.7	7.6	5.0	25	11	21	5/36	22	28
Carrots	Pound	11.1	11.3	11.8	7.1	-2	-6	17	24	19	36
Celery	Pound	11.0	10.6	10.9	---	4	1	26	30	22	---
Lettuce	Head	11.1	13.0	11.7	8.2	-15	-5	41	36	34	43
Onions	Pound	7.0	6.7	6.8	4.7	4	3	18	22	46	44
Potatoes	10 pounds	46.0	41.9	42.3	26.3	10	9	34	31	22	49
Sweetpotatoes	Pound	8.9	8.8	5/9.2	6.8	1	-3	30	5/27	34	41
Tomatoes	Pound	23.7	19.0	19.9	---	25	19	38	36	40	---
Orange juice, canned	46 ounce can	31.1	33.1	29.2	---	-6	7	30	35	38	---
Peaches, canned	No. 2-1/2 can	28.0	28.5	29.8	26.2	-2	-6	17	16	17	17
Beans with pork, canned	16 ounce can	12.9	12.9	12.9	---	0	0	13	13	15	---
Corn, canned	No. 303 can	16.6	16.8	16.6	14.0	-1	0	12	12	12	16
Peas, canned	No. 303 can	17.0	16.7	17.9	18.4	2	-5	15	15	14	14
Tomatoes, canned	No. 303 can	13.0	12.9	5/13.5	11.6	1	-4	15	15	15	18
Orange juice concentrate, frozen:	6 ounce can	12.8	14.1	16.3	---	-9	-21	44	5/46	37	---
Strawberries, frozen	10 ounces	19.7	19.6	20.1	---	1	-2	26	26	23	---
Beans, green, frozen	9 ounces	18.5	18.2	18.6	---	2	-1	19	19	19	---
Peas, frozen	10 ounces	16.7	16.7	16.9	---	0	-1	16	16	16	---
Dried beans (navy)	Pound	11.2	11.3	10.8	10.2	-1	4	34	33	37	49
Dried prunes	Pound	22.4	21.8	5/20.4	14.3	3	10	43	5/45	5/48	38
Margarine, colored	Pound	20.9	21.9	5/21.9	27.5	-5	-5	23	5/21	5/24	31
Peanut butter	Pound	36.6	38.3	5/37.0	---	-4	-1	34	31	34	---
Salad dressing	Pint	30.6	31.3	31.3	27.8	-2	-2	16	15	17	26
Vegetable shortening	3 pounds	59.6	63.8	5/65.9	59.4	-7	-10	27	25	5/27	44
Corn sirup	24 ounces	23.9	23.8	23.6	---	7/	1	10	10	11	---
Sugar	5 pounds	37.1	37.4	5/36.3	29.0	-1	2	35	35	5/36	40

^{1/} The methods of calculation and the sources of price data are given in Part II of "Farm-Retail Spreads for Food Products," U. S. Dept. Agr. Misc. Pub. 741, 1957.

^{2/} Product groups include more items than those listed in this table. For example, the meat products group includes veal and lower grades of beef in addition to carcass beef of Choice grade, lamb, and pork.

^{3/} The farm-retail spread is the difference between the retail cost and the net farm value, table on opposite page.

^{4/} Preliminary estimates.

^{5/} Most farm-retail spread figures for Oct.-Dec. 1959 have been revised; figures in other columns revised as indicated.

^{6/} Sum of product groups may differ slightly from market-basket total because of rounding of averages.

^{7/} Less than 0.5 percent.

^{8/} Data for this item revised because of change in retail unit.

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